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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,	)	Cause No. 06-5504RBL
	)	
Plaintiff,	)	Seattle, Washington
	)	November 11, 2008
vs.	)	Volume IX
	)	
CHARLES NOLON BUSH,	)	
	)	
Defendant.	)	
	)	
_____	)	

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TRIAL  
VERBATIM REPORT OF PROCEEDINGS  
BEFORE THE HONORABLE RONALD B. LEIGHTON  
UNITED STATES DISTRICT JUDGE

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APPEARANCES:

For the Plaintiff: Arlen Storm  
Tyler Letey

For the Defendant: Paula Olson

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1 PROCEEDINGS

2

3 THE COURT: Anything we need to take up?

4 MS. OLSON: No, Your Honor.

5 MR. STORM: No, Your Honor.

6 THE COURT: If you're ready to proceed, let's bring  
7 out the jury.

8 MS. OLSON: Your Honor, could I just have one minute  
9 with Mr. Bush?

10 THE COURT: All right.

11 (Pause in the proceedings.)

12 MS. OLSON: We're ready.

13 THE COURT: All right.

14 (Jury enters the courtroom.)

15 THE COURT: Mr. Bush, if you would resume the stand,  
16 sir. You're still under oath.

17 All right. Please be seated. Welcome back, ladies and  
18 gentlemen.

19 Mr. Storm, you may continue.

20 MR. STORM: Thank you, Your Honor.

21 C. NOLON BUSH (CONTINUED)

22 The witness, after being duly sworn, testified as follows:

23 CROSS-EXAMINATION

24 BY MR. STORM:

25 Q Mr. Bush, I would like you briefly to go back and take a

1 look at Exhibit No. 1001, please. And page 4 of that  
2 exhibit. And just to refresh our recollection, let me have  
3 you look at the top paragraph. And do you agree that the  
4 name of the corporation sole that you were the director of  
5 was the director of Cornerstone Institute?

6 A Yes, sir.

7 Q And that Hulaman Management Services was the fundraising  
8 arm of Cornerstone Institute?

9 A Doing business as, yes.

10 Q Let me have you now look at Exhibit No. 1002 and -- I'm  
11 sorry, 10002. And let me have you look at the top third of  
12 that document, please. Who is that letter from?

13 A It says the Department of Financial Institutions  
14 Securities Division.

15 Q And who is it to?

16 A To Charles Nolon Bush.

17 Q And that's you?

18 A That's my name, yes.

19 Q And what's it regarding?

20 A It looks like they're inquiring about us offering the sale  
21 of securities.

22 Q Let me just -- can I have --

23 A Oh, I'm sorry. Hulaman Management Services. Cornerstone  
24 Institute.

25 Q Okay. Can you read the first paragraph of that letter,

1 please?

2 A "The Washington securities administrator has received  
3 information indicating that your firm or individuals  
4 representing it may now be or recently have been engaged in  
5 activities connected with the offer or sale of securities to  
6 persons in the State of Washington, a best efforts direct  
7 participation fund. "

8 Q Can I have you look at page 3 of that document? And if  
9 you look at the top third of the page, what's the date of the  
10 delivery of that letter?

11 A It would be -- looks like it would be October the 30th,  
12 1999.

13 Q And it was signed by Yvonne Crepeau; is that correct?

14 A That looks like her signature, yes.

15 Q And she was your employee?

16 A That's correct.

17 Q Let me have you look at Exhibit No. 10003, please. And  
18 just looking at the top third of the letter, what's the date  
19 on this letter?

20 A November the 3rd, 1999.

21 Q And who is this letter to?

22 A It says Andrew MacKay, securities investigator, State of  
23 Washington Department of Financial Institutions.

24 Q And so this is to the Department of Financial  
25 Institutions. The same organization that sent you the letter

1 on October 30, 1999; is that correct?

2 A Right. And I also see that it says Securities Division on  
3 there as well.

4 Q Okay. It is the same organization that sent you the  
5 letter on October 30, 1999; is that correct?

6 A Yes, sir. It appears to be, yes.

7 Q And what's the regarding line?

8 A Reference Charles Nolon Bush. Hulaman Management Services  
9 and Cornerstone Institute.

10 Q And can you read the first paragraph, please?

11 A "I am in possession of your letter dated the October 28th,  
12 1999 addressed to Mr. Bush regarding the entities named  
13 above. I serve as legal counsel for those entities and will  
14 be handling all matters pertaining to them in relation to  
15 your office."

16 Q Can you read the next sentence, please?

17 A "Neither of those entities are Mr. Bush's -- are  
18 Mr. Bush's --" let me see. "Neither of those entities are  
19 Mr. Bush's firm as implied in the opening sentence of your  
20 letter. Further --"

21 Q Just the first sentence, please.

22 A Sure.

23 Q So it says neither of those entities. That's regarding  
24 Hulaman Management Services and Cornerstone Institute; is  
25 that correct?

1 A That's what it appears, yes.

2 Q You were the director of both of those entities?

3 A I am the director of both of them, yes.

4 Q Let me have you look down at the bottom. Who is this  
5 letter signed by? Is it signed by Glenn Stoll?

6 A By Glenn Stoll, yes.

7 Q And you've testified that he was your ecclesiastical  
8 minister?

9 A That's correct. Yes. He was in charge of our common-law  
10 church. Ecclesiastical law, as I understand. That's what he  
11 said to me.

12 Q And what does it say next to the cc line on that letter?

13 A It says a carbon copy to Charles Nolon Bush.

14 Q You did not call Andy MacKay and tell him, look, there has  
15 been a big mistake here. I am the director of both of those  
16 firms after receiving this letter, did you?

17 A I did not, no. I left everything up to Mr. Stoll of these  
18 matters.

19 Q Well, did you tell Mr. Stoll there has been a huge mistake  
20 here? I'm the director of those firms. This has got to be  
21 corrected? That is an important organization?

22 A I'm sorry. I don't understand the question.

23 Q Did you tell Mr. Stoll to correct this huge error?

24 A What is the error that he's correcting? I don't  
25 understand.

1 Q That you are in fact related to the firms Hulaman  
2 Management Services and Cornerstone Institute?

3 A Prosecutor, I don't understand this letter to say what  
4 you're saying. What I understand this letter to say is that  
5 we're selling securities. We don't sell securities. People  
6 lend this money. There are no -- we are not in the security  
7 business. That's what I understood the letter --

8 Q Well --

9 A Maybe -- maybe I misunderstand the letter. But that's --  
10 this is what Mr. Stoll told me the letter said. It was in  
11 relationship to securities. And we don't do securities.  
12 That's what I understand his answer was. Possibly he should  
13 have written a better letter. But, again, I don't know about  
14 letter writing. I'm not an ecclesiastical lawyer. And we  
15 didn't sell securities. Never have sold securities.

16 Q I didn't ask you that question.

17 A All right.

18 Q I asked you if you corrected his assertion that the  
19 entities Hulaman Management Services and Cornerstone  
20 Institute are your firms. You were the director?

21 A I -- I -- I -- I don't understand that. I felt this was a  
22 letter about securities.

23 Q Well, let me see if I can clarify. First sentence --

24 A What his first sentence --

25 Q -- the second paragraph --



1 A What this first sentence --

2 Q Let me finish my here, please.

3 First sentence. Second paragraph. Neither of those  
4 entities are Mr. Bush's firms as implied in the opening  
5 sentence of your letter?

6 A Now, I believe the emphasis here for Mr. Stoll is he  
7 explained to me was as implied. So I think Mr. Stoll, as I  
8 understand it, interpreted this letter applying a certain  
9 way. And he said it did not pertain to me. This is what he  
10 told me he did.

11 Q You got a cc copy of this letter?

12 A I have seen this letter, yes. Yes. And I stand on  
13 that -- I, myself, according to Mr. Stoll, do not believe  
14 that this letter applies to me.

15 Q Do you believe that you are the director of Cornerstone  
16 Institute and Hulaman Management Services?

17 A I am the director of Hulaman, yes, and also Cornerstone  
18 Institute. But we don't sell securities.

19 Q Let me have you look at 2038, please. It's one of the  
20 account statements that Ms. Stuckey-Webb testified sending at  
21 your request. Do you recall that testimony?

22 A Yes, I do.

23 Q And can you read up in the upper left-hand corner  
24 regarding who this was sent to?

25 A The Fishers.

1 Q Can you look at the second line under the word  
2 "subtractions," and what does that say?

3 A It says \$3,000.

4 Q Now looking over to the left, what does -- under  
5 "transaction description" what does it say?

6 A Transaction descriptions. We're talk about the  
7 administration fee? Is that what you're --

8 Q Yes.

9 A Administration fee, uh-huh (affirmative).

10 Q Ms. Stuckey-Webb testified that before she sent out these  
11 account statements you reviewed them very carefully; is that  
12 right?

13 A Well, I certainly reviewed them. I don't know about the  
14 word carefully. But I certainly reviewed them, yes.

15 Q And you knew that they were claiming to charge a fixed  
16 administrative fee in the account statement, didn't you?

17 A Well, surely. Yes.

18 Q Let me have you look at Exhibit No. 2032, please. What is  
19 the date at the top of that letter?

20 A March the 2nd, 2000.

21 Q And it's from whom?

22 A I believe I saw David Velander -- David Velander's name on  
23 there.

24 Q And who is it to up in the upper left-hand corner?

25 A It says dear -- well, it says C. Nolon Bush, Hulaman

1 Management Services.

2 Q And it's got your correct fax number; is that right?

3 A I do not remember the fax number. But I would believe  
4 that that's correct.

5 Q Let me have you read the first sentence of the second  
6 paragraph, please.

7 A "I am being inundated with requests for return of  
8 investment. Therefore, please consider this letter a request  
9 for immediate return of \$1,010,000. I assume you will pay  
10 the profits as promised in the very near future with payments  
11 also for the time the profits remain unpaid."

12 Q Just remind me again what the date on that letter was?

13 A March the 2nd, 2000.

14 Q Let me have you look at 13003, please. Does this document  
15 look familiar to you?

16 A Yes.

17 Q And what's the date on this sales invoice?

18 A This is March the 23rd, 2000.

19 Q And so this is 21 days, three weeks after Mr. Velander  
20 asked for his money back; is that right?

21 A That's correct.

22 Q And in the document it represents that you paid \$24,337.60  
23 in cash for the purchase of a Harley-Davidson motorcycle; is  
24 that right?

25 A That is correct.

1 Q Mr. Bush, did you think about giving Mr. Velander that  
2 \$24,000?

3 A Well, I don't see any connection between the two. The  
4 Harley -- the majority of this money I understand went to  
5 charity. You know, I basically was covering -- I don't see a  
6 connection between Mr. Velander -- Mr. Velander's dealing  
7 with a Global Dominion problem. You know, this was a From  
8 the Heart issue that I chose.

9 I will again remind you that all of these transactions are  
10 done thinking that I've got \$800 million sitting in the Bank  
11 of New York.

12 Q Did you call David Velander and say I know you want your  
13 million dollars back, but I would like to make a \$24,000  
14 deposit to charity?

15 A I did not feel that was necessary.

16 Q You just thought you could take money that belonged to him  
17 or any other investor and do whatever you wanted?

18 A Counselor, that's what I did. I did this.

19 Q Your testimony is you did not think about giving David  
20 Velander that \$24,000 back?

21 A I did not.

22 Q Let me have you look at the exhibit to your left. 12037.  
23 And that has not been submitted. And just generally tell me  
24 what that letter is.

25 A This is a letter -- I believe it's from Phil Yeager, I

1 believe, to myself.

2 Q To you?

3 A Yes.

4 MR. STORM: Your Honor, offer Exhibit No. 12037.

5 MS. OLSON: No objection.

6 THE COURT: 12037 is admitted.

7 (Exhibit No. 12037 admitted.)

8 BY MR. STORM:

9 Q Mr. Bush, what's the date on the top of the letter?

10 A It is May the 25th, 1999.

11 Q And whose initials are those down at the very bottom of  
12 the letter?

13 A They're my initials and I believe Phil Yeager's initials.  
14 Both of us.

15 Q Can I have you read the first two sentences of that  
16 letter, please?

17 A "I propose the following arrangement to address your  
18 providing funding of \$30 million to acquire a 35 percent  
19 interest in an entity which we are to mutually agree upon the  
20 global entity."

21 Q And the second sentence?

22 A "Assuming all of the 30 million in funding is received in  
23 accordance with the schedule below, you or an entity you will  
24 designate will have 35 percent in interest in global upon  
25 receipt of the 30 million."

1 Q So on May 25, 1999 you were going to take \$30 million and  
2 invest it in Century 21; is that correct?

3 A That is correct.

4 Q May 25, 1999 you were promoting Hulaman Management  
5 Services' mid-term notes; is that correct?

6 A I was promoting a program to build my resort in San  
7 Quintin, Mexico. Yes.

8 Q Do you remember the private merchant placement promise  
9 that we went over two days ago?

10 A Yes, I do.

11 Q For Hulaman Management Services?

12 A I do.

13 Q This document does not reflect any kind of investment in a  
14 private merchant bank, does it?

15 A This is a result of discussions I had with Mintus, who was  
16 willing to fund this 30 million. You know, she saw this as  
17 part of our global program because it involves what  
18 ultimately will become the Century 21 rights in 22 countries  
19 around the world.

20 Q Let me have you look at 12038. And if you'd just briefly  
21 describe this document.

22 A This is again from Phil Yeager looking at the different  
23 entities that Mr. Yeager controls.

24 MR. STORM: Your Honor, offer 12038.

25 MS. OLSON: No objection.

1 THE COURT: 12038 is admitted.

2 (Exhibit No. 12038 admitted.)

3 BY MR. STORM:

4 Q Mr. Bush, can you tell me who this -- what's the date on  
5 this letter? This fax?

6 A This is March the 1st of 2000.

7 Q Who is it to?

8 A It is to myself.

9 Q Who is it from?

10 A From Phil J. Yaeger.

11 Q Can you read the first two paragraphs of that letter,  
12 please?

13 A "Dear Nolon, I am sure you are aware of my disappointment  
14 regarding your failure to fund our operations per our  
15 agreement of May the 25th, 1999."

16 Q And the second paragraph, please?

17 A "The last eight months have been -- has been a continuous  
18 series of promises, letdowns, and emergency short-term  
19 funding which have only held the global operations together.  
20 This has created major stress within our operation and  
21 building of accounts payable, missed opportunities, inability  
22 to meet promises, and loss of credibility business-wise and  
23 personal."

24 Q So Mr. Yaeger -- or, Mr. Bush, Carolyn Mintus never came  
25 through with this money, did she?

1 A She did not.

2 Q So by March 2, 2000 this is one more example, according to  
3 you, of Carolyn Mintus's failure just to come through on any  
4 kind of agreement; is that right?

5 A That is correct. And there had been numerous meetings  
6 with Ms. Mintus about this and her bankers. And they  
7 continued to assure me that they were just days away from  
8 completing their first tranches and release of parts of my  
9 800 million.

10 Q And despite this failure by Carolyn Mintus, on top of all  
11 the other failures by her, after March 2nd of 2000 you went  
12 on to promote the Mexico project as an investment; isn't that  
13 right?

14 A I had been working on the Mexico project since 1997.

15 Q After March 2nd, 2000 you directly promoted the Mexico  
16 project to Mr. Franke; is that right?

17 A I continued to work on everything with the belief that  
18 Ms. Mintus was going to fulfill her commitment. And this is,  
19 by the way, based on members of the Federal Reserve that I  
20 met with and bankers in New York telling me that Ms. Mintus  
21 was okay.

22 Q After March 1st, 2000, after this failure on top of all  
23 the other failures, you went on to promote the Mexico  
24 project; is that right?

25 A Mr. Christy and I were very much committed to the Mexico



1 project.

2 Q Did you promote it after March 1st, 2000?

3 A Of course I did.

4 Q And it's your testimony that it was completely necessary  
5 for Mintus to come through for that project to succeed; isn't  
6 that right?

7 A It was certainly my belief, yes, that she would perform.

8 Q And so by the time you sold this project to Mr. Franke,  
9 she was 100 million behind, which made you 100 million  
10 behind? And you knew about this failure on March 2000 in the  
11 Century 21 investment; isn't that right?

12 A Well, she was not 100 million behind until we reached  
13 those phases. We had not yet reached those phases. She was  
14 well aware that we needed this money to get to those phases.  
15 And I had most blind faith that she would deliver.

16 Q Well, it was very blind --

17 A I am ashamed. I am embarrassed. You know, I -- you know,  
18 but I did what I did.

19 Q When you met with Mr. Franke you did not tell him that she  
20 had failed on this \$30 million investment in addition to the  
21 100 or 200 million she was behind on the Mexico project, did  
22 you?

23 A I had been cautioned by New York of the utmost secrecy.  
24 That I was not to discuss anything we were doing or met with  
25 anyone.

1 Q Mr. Bush, when you met with Mr. Franke you did not tell  
2 him about this \$30 million failure by Carolyn Mintus, did  
3 you?

4 A I did not -- Franke and I talked mostly about the idea  
5 that he might work as a contractor on the project.

6 Q Don't evade the --

7 A We spent more time on that than we did in his investing in  
8 the project.

9 Q He had already invested \$50,000 --

10 A But my repeated conversations with him, the continued  
11 conversations had to do with his interest, his construction  
12 company and playing some role. And I would gladly -- as soon  
13 as Mintus funded things, I would gladly place his offers or  
14 whatever to participate in the building. He had great  
15 interest. And he talked about bringing other people, you  
16 know, into it as well if in fact we could become an active --  
17 you know, have a building relationship.

18 Q There was going to be no Mexico project if she doesn't  
19 come through. No building. He's not going to be there with  
20 a bulldozer. There is nothing.

21 A Well, the wonderful thing, Prosecutor, is hindsight is  
22 20/20.

23 MS. OLSON: There was no question.

24 THE COURT: Sustained.

25 Go ahead.

1 BY MR. STORM:

2 Q When you met with Mr. Franke, don't you think he would  
3 have wanted to know that in addition to being \$200 million  
4 behind, Carolyn Mintus was also 30 million behind on this  
5 project?

6 A Not allowed to talk about Mintus with him. And my faith  
7 was that Mintus would come through. And that was the  
8 confidence I exuded and, you know, felt strongly about at  
9 that point. That she would perform. And this is also based  
10 on the backup from Mark Kaposi and many others, you know, so.

11 Q Mr. Bush --

12 A I am the victim here.

13 Q -- you promoted GDFS -- let me change gears for a minute.  
14 You promoted GDFS with, among others, Cody Bly, Greg  
15 McCormick, Bill Miertschin, Raymond Donohue, and Ken  
16 Marshall; isn't that right?

17 A Yes, I did, with great belief in the project.

18 Q Let me have you look at Exhibit 1010, please. And page 2.  
19 Is this an account statement or a signature card for an  
20 account using the last four digits 0367?

21 A Yes. All the signatures appear to be fine with me.

22 Q And what's the date on this?

23 A I see the 11th of February 1999.

24 Q And the signer on this account is who?

25 A It says C. Nolan Bush, director.

1 Q And the name on the account, looking back on page 1?

2 A I see it says account. On the card it says Hulaman  
3 Management Services, yes.

4 Q So account 0637, Hulaman Management Services, you are the  
5 only signer?

6 A That is correct.

7 Q Let me have you look at page 2. Page 3, please. What's  
8 that document say up at the top?

9 A Exemption from interest reporting and backup withholding.  
10 Non-resident alien or foreign entity classification.

11 Q And who is the customer?

12 A Hulaman Management Services.

13 Q And who is the signer?

14 A It's Charles -- or C. Nolon Bush, director.

15 Q And what's the date on the document?

16 A 2/11/99.

17 Q This document was signed before GDFS was created in Nevis;  
18 isn't that right?

19 A That is correct. That is correct.

20 Q Now let me have you look now at document 11008. And  
21 looking at -- what's the date on this fax?

22 A December the 29th, 1999.

23 Q And who is it from?

24 A Cora -- oh, okay. I think I refer to him as A.J. I think  
25 that's how Nicholas always talked about him. I don't know

1 exactly how to pronounce his name.

2 Q Mr. Bush, do you remember Ajit Simha testifying at trial  
3 that you would call him and request money be transferred to  
4 your accounts?

5 A You know, my dealings -- my dealings with Nevis were  
6 really only, to my knowledge, between Nicholas and Scott  
7 Grant. I don't recall ever, you know, working -- I just  
8 don't recall that.

9 Q Do you recall him testifying to that fact?

10 A I don't. I did not hear him say that.

11 Q Let me have you look at page 2 of that document. If you  
12 can look at the top third where it says "sender," who is the  
13 sender on this document?

14 A I think it say Bank Crozier.

15 Q And this is a wire transfer; is that right?

16 A A wire transfer, yes.

17 Q What's the date, looking at the middle of that?

18 A It's the 29th of December 1999.

19 Q And how much is being transferred?

20 A I see 300,000 there. I believe that's correct.

21 Q And who is the ordering customer?

22 A Global Dominion Financial Services.

23 Q And then looking down under beneficial customer, who is  
24 the beneficial customer?

25 A Hulaman Management Services.

1 Q And what account is the number -- excuse me, the last four  
2 digits?

3 A 0367.

4 Q On December 29th, 1999, \$300,000 is being transferred to  
5 the account that you are the signer on in Hulaman Management  
6 Services that we just talked about, right?

7 A That is correct. And as I understand, this is certainly  
8 the way Scott Grant said these transactions would be handled.

9 Q And let me go back to Exhibit No. 1010 for just one  
10 moment. Let me have you look at page 23 of that document.  
11 Now look down where it says December 30 on other deposits.  
12 Does that reflect a wire transfer, the receipt of \$300,000  
13 into your account?

14 A I would say that's true. And I do not recall anything  
15 that they ever were supposed to send that we didn't receive.

16 Q So if I understand this transaction correctly, investors  
17 now are sending their investments to Nevis, to Bank Crozier;  
18 is that right?

19 A Yes.

20 Q After GDFS is created?

21 A Yes.

22 Q And now you're receiving \$300,000 of those investors'  
23 money back in Washington state into your account?

24 A That is correct.

25 Q And you testified a couple days ago that it cost about

1 \$9,000 a week for you to operate View Park; is that right?

2 A That is correct. I recall that that's somewhere in the  
3 neighborhood or was the weekly operating cost.

4 Q Well, I think you called View Park Cornerstone; is that  
5 right?

6 A Pardon?

7 Q You called View Park Cornerstone?

8 A I actually call it the retreat. But, you know,  
9 Cornerstone Institute is behind it. And it is a gift to From  
10 The Heart Foundation. Not my home.

11 Q Let me have you look at Exhibit No. 16007. Page 17. And  
12 look at the bottom third of that page, please.

13 Now, I believe you testified that these are cash  
14 withdrawals that you took from various accounts. But look  
15 under account number. Do you see cash withdrawals being  
16 taken at the bottom third of that page from account 0637  
17 which we've just been talking about?

18 A Yes, I do.

19 Q Okay.

20 A And, again, Hulaman Management Services was set up -- you  
21 know, these entities were set up as somewhat of a  
22 clearinghouse.

23 And I'd to call attention -- the Court's attention to the  
24 fact that I believe my records are very meticulous. Nothing  
25 is hidden here. It is all out in the open. And it is all

1 backed by what I believed was \$800 million. I would never be  
2 this meticulous about anything if I were not certain about  
3 what I was doing.

4 Q Let me talk about these records.

5 A Absolutely. I want you to.

6 Q Let me have you look at the date November 24, 1999.

7 Account 0637. How much money did you take out of the bank on  
8 that day from account 0637?

9 A Looks like 7,500.

10 Q December 6, 1999 how much money did you take out of  
11 account 0637 on that day?

12 A Looks like 9,000.

13 Q December 13, seven days later, how much did you take out  
14 on that day?

15 A 9,000.

16 Q December 17, four days later, 1999 how much did you take  
17 out of account 0637 on that day?

18 A 9,000.

19 Q December 21, four days later, how much did you take out of  
20 0637 on that day?

21 A 9,000.

22 Q So your \$9,000 a week seems to have gotten much larger.  
23 Now it's 9,000 every four days?

24 A No. We actually kept a safe. A very, very nice, safe  
25 safe, you know, at the retreat. And sometimes when I would



1 see that I'm not going to be available or I'm going to be  
2 traveling, you know, I attempted to keep a certain level of  
3 cash in there so that they could conduct things in my  
4 absence, you know.

5 And since -- the thing to understand, too, about this is  
6 I'm the only one who has signature rights on this account.  
7 I'm the only one doing this, too, by the way. I'd like to  
8 draw attention to that.

9 Q Well, let me draw your attention to December 23, 1999.  
10 How much cash did you take out of the bank --

11 A 9,000.

12 Q December 28, five days later, how much did you take out of  
13 the bank?

14 A 9,000.

15 Q December 29, 1999, one day later, how much did you take  
16 out of the bank?

17 A 9,000.

18 Q December 30, one day later, how much did you take out of  
19 the bank?

20 A And some of this money also is being gifted to shelters.  
21 They are doing certain things.

22 Q Mr. Bush?

23 A Yes?

24 Q My question before you is how much did you take out of the  
25 bank on December 30, 1999?

1 A 9,000.

2 Q One day later, December 31st?

3 A 9,000. 9,000.

4 Q 9,000 four days in a row; is that right?

5 A Whatever it took for us to operate. That's what I was  
6 doing, yes.

7 Q Could you have saved yourself some time by just taking  
8 36,000 out of the bank instead of going back to the bank four  
9 days in a row?

10 A There's a -- I had an understanding also with the branch  
11 manager. I think this -- I want to think that this is a  
12 branch that's in Port Orchard. I'm not sure. It's one of  
13 the little small areas around there. The bank did not keep a  
14 lot of cash. It replaced its cash on a regular basis. And  
15 my agreement with the manager was that I would keep my  
16 withdrawals to low amounts so she would not run short on  
17 cash.

18 Q What is the name of the manager?

19 A You could check back and see the manager. This -- I was  
20 well known at that bank. They understood exactly what I was  
21 doing. And they did everything to meet my needs.

22 Q Mr. Bush, when Ms. Olson asked you about taking \$9,000 out  
23 two days ago you said it was because that's what it cost to  
24 run the place for a week?

25 A That's how I ran my operation.

1 Q You didn't say one word about having any kind of  
2 agreement --

3 A I am now. I am now saying that I did not know -- there is  
4 something else I would like to explain to you --

5 MR. STORM: Your Honor, I would object to --

6 THE COURT: Sustained.

7 Just wait for the question, sir.

8 BY MR. STORM:

9 Q Mr. Bush, let me have you look at Exhibit No. 11010. Wire  
10 transfers. Look up at the top, please. Tell me what bank  
11 this is from.

12 A Well, it's from Global Dominion Financial Services.

13 Q Bank Crozier?

14 A Bank Crozier.

15 Q What's the date?

16 A January the 4th, 2000.

17 Q Do you see January the 5th, 2000?

18 A January the 4th, 2000; is that what it is?

19 Q Go ahead and --

20 A Is there another --

21 Q Look in the middle. What's the amount on this  
22 transaction?

23 A 200,000.

24 Q This is about a week after the last transaction that we  
25 just talked about? The \$300,000?

1 A Yes.

2 Q Who is the beneficial customer?

3 A It says Hulaman Management Services escrow account.

4 Q And that's the 0637 account we've just been talking about;  
5 is that right?

6 A That's correct. One of our clearing accounts. Yes.

7 THE COURT: Let the record reflect it's 0367.

8 MR. STORM: Thank you, Your Honor.

9 BY MR. STORM:

10 Q Let me have you look at Exhibit 11012. Another wire  
11 transfer. What is the sender on this transaction? What  
12 bank?

13 A Bank Crozier.

14 Q And what is the date of this transaction?

15 A 2000 -- February the 15th, 2000.

16 Q How much are you transferring and how much is being  
17 transferred?

18 A 250,000.

19 Q Who is the ordering customer?

20 A It is Global Dominion Investments LLC.

21 Q And who is the beneficial customer?

22 A Hulaman Management Services.

23 Q Account 0637?

24 A Yes. Correct.

25 Q Let me have you look at Exhibit 11014, please.

1 THE COURT: Again can you correct that on the record  
2 as to 0367?

3 MR. STORM: Thank you, Your Honor. I will focus on  
4 that.

5 BY MR. STORM:

6 Q Let me have you look at 11014. Who is the sender in this  
7 occasion?

8 A Bank Crozier.

9 Q And what's the date of this transaction?

10 A The 20th of March 2000.

11 Q How much is being sent?

12 A 250,000.

13 Q Who is the ordering customer?

14 A Global Dominion Investments LLC.

15 Q And who is the beneficial customer?

16 A Hulaman Management Services.

17 Q What account number?

18 A 0367.

19 Q Let me have you look at Exhibit 11016. The second page.  
20 Who is the sender on this wire transfer?

21 A Bank Crozier.

22 Q What's the date?

23 A 20th of April 2000.

24 Q How much money is being transferred?

25 A 200,000.

1 Q Who is the ordering customer?

2 A Global Dominion Investments.

3 Q Who is the beneficial customer?

4 A Hulaman Management Services.

5 Q What account?

6 A 0367.

7 Q Let me have you look at Exhibit No. 11018, please. Who is  
8 the sender on this wire transfer?

9 A Bank Crozier.

10 Q How much money -- or what date?

11 A 2nd of May 2000.

12 Q How much money is being transferred?

13 A 150,000.

14 Q Who is the ordering customer?

15 A Global Dominion Investments.

16 Q And the beneficial customer?

17 A Again Hulaman Management Services.

18 Q And the account number?

19 A 0367.

20 Q Let me have you look at Exhibit No. 11020, please. Who is  
21 the sender on this wire transfer?

22 A Bank Crozier.

23 Q What is the date?

24 A 24th of May 2000.

25 Q How much money is being transferred?

1 A 50,000.

2 Q Ordering customer?

3 A Global Dominion Investments.

4 Q And beneficial customer?

5 A Cornerstone Institute.

6 Q And the account number?

7 A 7510.

8 Q Do you recall the day before yesterday that that was an  
9 account that you were the only signer on? Or do you want to  
10 check?

11 A Cornerstone Institute?

12 Q Yes.

13 A No. I'm the only one. If it's a US Bank account, to my  
14 knowledge there's no signatures on US Bank except myself.

15 Q Let me have you look at Exhibit No. 11022. Page 2. What  
16 is the sending bank?

17 A Bank Crozier.

18 Q And what is the date?

19 A The 24th of May 2000.

20 Q How much money is being sent?

21 A 100,000.

22 Q Who is the ordering customer?

23 A Global Dominion Investments.

24 Q And the beneficial customer?

25 A Cornerstone Institute escrow.

1 Q And what's the account number?

2 A 7528.

3 Q Do you recall the day before yesterday that that was also  
4 an account which you were the only signer?

5 A I am the only signer on that account. That's correct.

6 Q Now, in addition to having a great deal of investor money  
7 sent back from Nevis to accounts that you were the only  
8 signer on, you also had money sent back to accounts -- or an  
9 account that Marilyn March was the only signer on; is that  
10 correct?

11 A I had money sent to From The Heart Foundation. I believe  
12 that's true.

13 Q Let me have you look at Exhibit No. 3022. Page 2. What  
14 is the name of this account?

15 A Hulaman Management Services/From The Heart Foundation.

16 Q And the account number?

17 A 6733.

18 Q Is that your name up above as secretary?

19 A That is correct.

20 Q And what's the date on this account?

21 A 15th of February 2000.

22 Q Who is the only signer on this account?

23 A Marilyn March.

24 Q Now, despite the fact that Marilyn March is the only  
25 signer on this account, you in fact exercised a great deal of



1 authority over it; isn't that right?

2 A Absolutely. Yes.

3 Q Let me have you look at Exhibit No. 3023. What's the date  
4 on this letter?

5 A September the 12th, 2000.

6 Q And who is it written to?

7 A Carol Lee Brown.

8 Q Who is it written by?

9 A C. Nolon Bush, director.

10 Q That's you?

11 A That is me.

12 Q And can you read the content of the letter, please?

13 A "This letter serves as request to close out the Hulaman  
14 Management Services/From The Heart account. Please transfer  
15 remaining funds back into Hulaman Management Services  
16 account, which will also be closed out shortly."

17 Q You were consolidating at this point account funds; is  
18 that correct?

19 A You know, I don't -- I'm not aware of what the purpose  
20 behind this would be. I just -- I don't recall, frankly, why  
21 this is happening. If I did, I would be more than happy to  
22 explain it to you. I don't know.

23 Q You would agree, though, that the funds in this account  
24 are being transferred to an account that you're the only  
25 signer on?

1 A Absolutely. Yes.

2 Q Let me have you look at Exhibit No. 11002, please.

3 Page 2. Who is the sender on this wire transfer?

4 A Bank Crozier.

5 Q And the date?

6 A 10 March 2000.

7 Q How much money is being transferred?

8 A 100,000.

9 Q Who is the ordering customer?

10 A Global Dominion trust services.

11 Q And the beneficial customer?

12 A Hulaman Management Services/From The Heart Foundation.

13 Q And the account number?

14 A 6733.

15 Q Let me have you look at Exhibit No. 11004. Who is the  
16 sender on this account, on this wire transfer?

17 A Bank Crozier.

18 Q And the date?

19 A The 26th of April 2000.

20 Q And how much money?

21 A 50,000.

22 Q Who is the ordering customer?

23 A Global Dominion investments.

24 Q And who is the beneficial customer?

25 A Hulaman Management Services/From The Heart Foundation.

1 Q Let me have you look at Exhibit 11006. Page 2. Who is  
2 the sending bank for this transaction?

3 A Bank Crozier.

4 Q And the date?

5 A 22nd of May 2000.

6 Q How much money?

7 A 120,000.

8 Q Ordering customer?

9 A Global Dominion investments.

10 Q And the beneficial customer?

11 A Hulaman Management Services/From The Heart Foundation.

12 Q Let me switch gears a little bit. Let me have you look at  
13 Exhibit No. 14026. What's the date on this Tully's stock?

14 A The date is November the 13th, 2000.

15 Q And do you recall Tom O'Keefe, who signed it down in the  
16 right-hand corner, testifying that you met with him regarding  
17 buying Tully's stock?

18 A I do.

19 Q And you paid \$250,000 for this Tully's stock; is that  
20 right?

21 A I believe that was \$2.50 a share. 100,000 shares. Yes.

22 Q And on November -- let me have you look at another  
23 exhibit. 12043. Page 11. Will you look at this chart and  
24 tell me how much money by November 13th, 2001 you had not  
25 paid per your agreement to the Mexico project?

1 A These where merely -- if you'll look at the top, this says  
2 60-month funding projection. And it's all based on -- I  
3 can't go from phase one until I go to two. And I can't go  
4 from two until I go to two and three.

5 So, you know, this is merely a format based upon what  
6 Mintus is planning on giving us. I signed this agreement  
7 expecting to do these phases. But until she starts funding,  
8 we can't look at these phases this way. It is a projection.

9 Q Well, according to this projection, by November 13th, 2001  
10 she's failed to give you about \$300 million. It's getting  
11 pretty close to 300 million?

12 A That is correct. She is behind.

13 Q And she's failed to give you another 30 million that -- a  
14 year earlier that you needed to pay Phil Yaeger?

15 A That is correct.

16 Q When you buy this Tully's stock for \$250,000 you decided  
17 not to put it in the Mexico project; isn't that right?

18 A As a matter of fact, I bought the Tully's stock because  
19 Mr. O'Keefe told me they were going public and that this was  
20 going to be like a Starbucks IPO. And this was what the man  
21 from the telecom company, Bill Brouillet, is what the person  
22 working with said this is going to be one of the greatest  
23 returns in the world.

24 Q Sounds like a good investment?

25 A I tell you what. I thought it fit just perfectly in with

1 From The Heart for giving it a real foundation. Yes.

2 Q Getting back to the question, though. On November 13th  
3 when you bought that Tully's stock you chose not to put  
4 \$250,000 into the Mexico project?

5 A That is correct. I made a judgment call. Yes. Just like  
6 I made the judgment call of believing Mintus. Very, very --  
7 by the way, hindsight, very poor judgment, I might add, on my  
8 part. Tully's never went public.

9 Q By November 13, 2001, the Mexico project would have been  
10 an absolutely horrendous investment based on Mintus's failure  
11 to pony up this 300 million and her failure to pony up  
12 \$30 million for Century 21, right?

13 A I still believe to this date in both projects.

14 Q It would have been a horrendous investment by November 13,  
15 2001? Abysmal, right?

16 A I don't know that. That may be your opinion. It's not  
17 mine.

18 Q And when you called Starla Ryan a few months later -- did  
19 you know she was a widow at the time?

20 A I did not.

21 Q When you called her a few months later, told her the  
22 Mexico project was going great and asked her for forty more  
23 thousand dollars that you used to pay your bills, did you  
24 tell her you were putting your own money -- or not your own  
25 money, but other investment money into Tully's and not in the

1 Mexico project?

2 A I would like to correct what I just said about her being a  
3 widow. I am sure that probably came into a conversation at  
4 some point. But I don't remember referencing any of that.

5 Q When you told her that Mexico --

6 A I was doing -- I was making the decisions. I was  
7 making and, as I understand, you know, following -- I'm not  
8 making excuses for my automobile/motorcycle problem that I  
9 had there. But it had a profound effect on me following --  
10 many of the things I think I did following 2000 --

11 Q When you asked her for that 440,000 that you saw you used  
12 to pay your bills, did you tell her --

13 A I did not.

14 Q -- that you had put 250,000 in Tully's and not in the  
15 Mexico project --

16 A I did not ask her for 40,000. I understand she gave it to  
17 Marina Pacific Credit Union. And we are not doing business  
18 with Starla. We're doing it with the credit union. And  
19 that's -- you know, I am like -- so much of this, I'm  
20 embarrassed in my belief in Mintus and what would happen.

21 But, you know, I made judgment calls. When I --  
22 Prosecutor, there are things that I have seen in this  
23 courtroom since I have been here that I didn't know. There  
24 are so many discrepancies about a lot of things. But this  
25 all happened on my watch. It did.

1 Q Did you tell Mr. Franke when you met with him that if he  
2 had 250,000 or any money, he should go to Tully's and not the  
3 Mexico project? Did you tell him that?

4 A I did not see Mr. Franke involved in the Tully's  
5 transaction.

6 Q I don't have any other questions.

7 THE COURT: Ms. Olson?

8 REDIRECT EXAMINATION

9 BY MS. OLSON:

10 Q Good morning, Nolson.

11 A Good morning.

12 Q On Monday when Mr. Storm began his cross-examination of  
13 you he brought up several areas. One of the areas that he  
14 brought up was your involvement in Global Prosperity. Do you  
15 recall that?

16 A Yes.

17 Q Do you recall him asking you questions about that?

18 A I recall it, yes.

19 Q Do you recall him asking -- asking you questions referring  
20 to the fact that Global Prosperity was found to have been  
21 engaged in illegal activity?

22 A At the time I was involved with Global Prosperity I knew  
23 of no illegal activity they were involved in.

24 Q Who were some of the other people that were also involved  
25 with Global Prosperity?

1 A Joe Newbury and, of course, the Websters. Preston Knepp.  
2 Almost all of the financial advisors, if you, you know, could  
3 call them that, had attended the seminars and were, I guess,  
4 knowledgeable of things. Yes.

5 Q Did any of those people have any knowledge, to your  
6 knowledge, that there was anything illegal about Global  
7 Prosperity?

8 A Absolutely none to my knowledge.

9 Q Mr. Storm also asked you questions about your giving Larry  
10 Wilcoxson money early in the program. Do you recall that?

11 A Yes.

12 Q And you early on met with Mr. Wilcoxson; is that correct?

13 A I did. I went to Modesto, California to his office. I  
14 did not go to his home. But I did go to his office. What he  
15 said was his office.

16 Q And what judgment did you come to about Mr. Wilcoxson?

17 A Well, the office was in disarray. And I had a number of  
18 questions I asked. And, you know, these were all related to  
19 people in Europe that they had no interest in my talking to  
20 or having any dealings with. And, you know, my biggest  
21 concern in all these matters, of course, was my resort.

22 So I left there --

23 Q Let me stop you there.

24 Tell me what conclusions you came to about Mr. Wilcoxson.

25 A That I did not see us putting really any more money with



1 his organization.

2 Q And so it wasn't surprising to you that later you found  
3 out that he had engaged in illegal activity?

4 A Well, you know, surprising. I did not look upon him as  
5 being illegal. His structure all of a sudden did not suit my  
6 humanitarian effort. He appeared to be only interested in  
7 trading and -- I'm going to assume that if he had been  
8 legitimate, was legitimate, that there were humanitarian  
9 projects they had already selected to back his and mine was  
10 not anything were interested in.

11 Q But you stopped dealing with him?

12 A That is correct.

13 Q And you began to deal with Carolyn Mintus?

14 A I did.

15 Q Was there any indication in any of your dealings with her  
16 that she was not being honest with you?

17 A No. Quite the opposite. When you go to the St. Regis  
18 Hotel, which is -- of course is a very prestigious hotel  
19 there off Fifth Avenue and Park Avenue where they told me she  
20 had been living for 12 or 15 years and she takes me to  
21 dinner. And I think this was actually -- it was the first or  
22 second time that we met. And she introduces me to two  
23 retired members of the Federal Reserve Bank of New York. And  
24 they talk about all of the things they've done. And it was  
25 quite delightful. And how they believed my project was

1 really something to behold.

2 And so I --

3 Q Let me stop you there.

4 A That was only the beginning. Many bankers followed that.

5 Q And the many meetings that you had after that, you were  
6 continually -- were you continually reaffirmed?

7 A Over and over again. And this is coming with some of the  
8 top bankers of New York assuring me, you know, where my money  
9 was going to go. And it was safe. And I was very fortunate  
10 to be doing business with her.

11 Q Mr. Storm characterized the delays of Carolyn Mintus to  
12 make payments as a failure. Did you see them as failures?

13 A Well, I didn't. I took Mark Kaposi's word that these  
14 things are so unique. And just to have the opportunity to be  
15 a part -- I was mesmerized by this group. There was a great  
16 deal of work that went into assuring me everything was  
17 wonderful and that I was a very fortunate individual to be a  
18 part of their program.

19 Q This morning Mr. Storm showed you Exhibit 1001 -- I'm  
20 sorry, 10002 and 10003. He had them up on the screen. And  
21 we don't need to --

22 A What are these?

23 Q One was the letter from the State Department of Financial  
24 Institutions. Do you recall that?

25 A Correct.

1 Q And then the second one was the response letter from Glenn  
2 Stoll?

3 A Yes.

4 Q Do you recall that?

5 A Yes.

6 Q Did you rely on Mr. Stoll to respond to that letter from  
7 the state department?

8 A 100 percent.

9 Q And did you give him carte blanc authority to respond as  
10 he believed was the appropriate way?

11 A 100 percent.

12 Q Did you believe that your paperwork was clear enough to  
13 advise people that it was not a security?

14 A Absolutely. And may I address this question?

15 Q Well, does it respond to my question?

16 A Yes, it does, because he had a page up here talking about  
17 us being a foreign entity or something. I think it was a  
18 bank record that related to these issues.

19 To make sure that I was not confused as a security or  
20 anything, I asked Carol Lee, whose name is in private  
21 banking. She handled -- she was my contact there. And I  
22 asked her one day to make sure that we did not have any  
23 interest bearing accounts.

24 Glenn Stoll assured me we were a foreign entity. And  
25 that's the -- he had that document up here. And I made

1 certain that we did not draw interest on any of our accounts  
2 that would make us subject to any kind of IRS problem, you  
3 know. And Carol Lee and I talked at length about this. And  
4 she recommended that I sign that document. And I believe  
5 Duane Christy also signed it. I saw his signature on there,  
6 too. Because at that point we were considering all of this  
7 was going to be backed by San Quintin.

8 Q Okay. And I believe you're referring to Exhibit No. 1010,  
9 and we'll look at that in a moment.

10 Mr. Storm showed you a series of withdrawals from accounts  
11 that you had control over?

12 A Yes.

13 Q Do you recall that?

14 A I do.

15 Q They were in the approximate amount of \$9,000?

16 A \$9,000.

17 Q Do you recall that?

18 A I do.

19 Q Can you explain to us why you took money out in those sums  
20 over that period of time?

21 A Yeah. And I certainly apologize to the Court for not  
22 thinking about my agreement with the management of the  
23 branch. They had a limited amount of cash. They did not  
24 like to keep a lot of cash there.

25 And so I told them I would try to limit most of my

1 withdrawals from something that was similar to the weekly  
2 operating expense. I many times would go several different  
3 days -- and, again, this was totally respecting the bank's  
4 request. And to my knowledge this wasn't just one manager.  
5 They would periodically change managers.

6 So I had this discussion probably with at least three  
7 different managers about cash management of that branch. And  
8 I was only doing what was convenient for them. I would bring  
9 the 9,000 back. It would go into the safe. And then the  
10 retreat would use it as they saw fit.

11 Q So you were doing this -- taking the withdrawals like this  
12 to accommodate the banks; is that correct?

13 A Well, it was a combination of both. I mean, because I  
14 would make my -- I don't know what kind of internal books  
15 they were keeping. But the operating expense -- because  
16 sometimes I would be gone for a month at a time. And the  
17 bank just liked the idea that if I kept my withdrawals within  
18 some reasonable period, it would help them. And as I recall  
19 I think they used to keep like an extra 9,000 extra in there,  
20 but not more than that, in the event that I would come. But  
21 that was only an agreement between branch manager and myself.

22 THE COURT: Ms. Olson, we're going to take our  
23 midmorning break.

24 Ladies and gentlemen, we'll be at recess for a few  
25 moments. If you would please remember the Court's admonition

1 not to discuss this matter amongst yourselves. Retire to the  
2 jury room. We'll be back with you in a little bit.

3 (Jury exits the courtroom.)

4 THE COURT: Please be seated. Anything we need to  
5 take up?

6 MR. STORM: No, Your Honor.

7 MS. OLSON: No, Your Honor.

8 (Court in recess.)

9 THE COURT: Please be seated.  
10 Ready to proceed?

11 MS. OLSON: Yes.

12 (Jury enters the courtroom.)

13 THE COURT: Please be seated.

14 BY MS. OLSON:

15 Q Nolson, Mr. Storm asked you if you promoted the Mexican  
16 project after March of 2000. Do you recall that?

17 A Yes.

18 Q Weren't you promoting the Mexican project approximately  
19 sometime in the late 1990s?

20 A That is correct.

21 Q You promoted that continuously?

22 A Continuously.

23 Q Never stopped?

24 A It was my dream. Yes.

25 Q He showed you Exhibit No. 1010, which was the signature

1 card for the Hulaman Management bank account. Do you recall  
2 that?

3 A Yes, I do.

4 Q And he showed you the third page of that document which  
5 had your signature on it. Do you recall that?

6 A Yes. Yes, I do.

7 Q Looking up at item number 2 of that document, who is the  
8 agent that is listed?

9 A Care of Duane Christy, agent.

10 Q And what was the purpose of him being the agent on this  
11 account.

12 A Well, for sake of the foundation. The fundraising.  
13 Everything we were doing. It was all, you know, Mexican  
14 based. And so we looked upon with the express purpose that  
15 everything driving what we were doing, of course, was our  
16 project.

17 Q And he was one of your partners?

18 A Yes. He was one of the partners in Cabo San Quintin. And  
19 he's still a partner, by the way.

20 Q Mr. Storm also showed you a letter to Carol Lee dated  
21 September 12, 2000. Do you recall that?

22 A Yes. Carol Lee was my representative at private banking  
23 in US Bank.

24 Q Actually, I think her name is Carol Lee Brown?

25 A Yes.

1 Q And that letter pertained to consolidating accounts. Do  
2 you recall him asking you about that?

3 A Yes.

4 Q Was the date on this letter in relation to your recovery  
5 from your motorcycle accident?

6 A That's a good point. I vaguely remember the letter. But  
7 I do not remember all the reasons for -- you know, operation  
8 reasons for doing that.

9 Q And is this an example of how your memory failed you after  
10 your accident?

11 A I took a pretty good lick on my head. But my nerves were  
12 not the best after the motorcycle accident. I think it took  
13 me a year and a half to two to really, really totally  
14 recover, if you can call it that.

15 Q Now, he showed a couple of letters from Phil Yeager?

16 A Yes.

17 Q Do you recall that?

18 A I do.

19 Q And the last letter was in 2000?

20 A I believe so.

21 Q Was that the end of your dealings with Mr. Yeager?

22 A Absolutely not.

23 Q And you testified on Monday that you continued to be  
24 engaged with Mr. Yeager when you went to Poland; is that  
25 right?



1 A That's true.

2 Q Now, do I understand that when you went to Poland you were  
3 looking for a buyer for the franchise in Poland; is that  
4 right?

5 A That is true.

6 Q And did you find a buyer?

7 A I did.

8 Q And what was the name of that person?

9 A I don't know -- Onshay Voigt I think was the original  
10 letter of intent. Onshay Voigt was a venture capitalist, you  
11 know, working in the Polish market.

12 Q What was the price, the purchase price that he agreed to?

13 A He agreed to pay \$400,000 for the 25-year ownership of the  
14 trademark. That gave him the right to sell franchises inside  
15 of Poland.

16 Q Was that figure the initial payment or was that the total  
17 price?

18 A The total price was for 400,000. But he paid a \$10,000  
19 nonrefundable deposit.

20 Q And did you receive a commission from that sale?

21 A Well, what I received were advances from Phil Yaeger. He  
22 had started, of course, funding all my expenses in that sale  
23 because there was much to be done between even the letter of  
24 intent to the final 400,000. To the closing date on it.

25 Q Was that sale to Mr. Voigt consummated?

1 A It was not. When it came time for him to pay the balance  
2 of the 390,000, Onshay Voigt and his lawyer and his group  
3 were not able to come up with the funds.

4 Q Did you find a second buyer?

5 A I did. He was actually a man that I was introduced to the  
6 same time with Voigt. One of his best friends who had  
7 already told me six months before, I don't think Voigt will  
8 close this. And the moment he doesn't close it, I want a  
9 letter of intent and I will put 20,000 down nonrefundable.  
10 And that's exactly what happened.

11 Q And he did do that?

12 A He did do that immediately. And I turned that paperwork  
13 over to Phil Yaeger.

14 Q Was that sale completed?

15 A That was completed, yes.

16 Q Did you receive a commission from that sale?

17 A I did. But it was half of what Cornerstone Institute was  
18 originally promised.

19 Q And did you have yet another business arrangement with  
20 Mr. Yaeger?

21 A I did. Mr. Yeager and I --

22 MR. STORM: Your Honor, I object to the relevance.

23 MS. OLSON: Well, Your Honor, he's brought up --

24 first it was brought up on direct examination. And then it  
25 was addressed again on cross. And so it's just completing --

1 THE COURT: This is different than what was  
2 originally brought up on direct? That's what my question is.

3 MS. OLSON: It is not.

4 THE COURT: Okay.

5 BY MS. OLSON:

6 Q There was a third -- first of all, let me ask you this.  
7 When was that sale to the second buyer? When was that sale?

8 A Well, the grand opening for Century 21 to the second  
9 purchaser was June the 21st of 2006.

10 Q So was it prior to that --

11 A Prior to that. Six months before we completed everything.  
12 And then they set the grand opening date and we went from  
13 there.

14 Q Now, on direct examination you talked about yet another  
15 business relationship with Mr. Yaeger?

16 A Well, we had a contract, if you remember, for \$30 million.  
17 It was --

18 Q But let me ask you this.

19 Did it have to do with the call centers --

20 A Yes.

21 Q -- the referral centers?

22 A Right. That was, of course, when I found out -- the day  
23 that I found out that I had been indicted, which was a total  
24 surprise for me, in August of 2007. I had no idea --

25 MR. STORM: Objection.

1 THE COURT: Sustained.

2 THE WITNESS: Anyways, the -- we were -- Mr. Yaeger  
3 and I were 50/50 partners in the largest call center to be  
4 opened for real estate purposes in central Europe there in  
5 Warsaw and with a sister office in Mexico City.

6 BY MS. OLSON:

7 Q Let me change directions and ask you about -- Mr. Storm on  
8 Monday asked you about giving your son Charles Nolon Bush III  
9 a car. Do you recall that?

10 A Yes, I did. And what --

11 Q Let me ask you this.

12 Did you give your son a car?

13 A I did not give Charles Nolon Bush III a car. No.

14 Q Did you give anyone --

15 A But I gave -- yes. I gave Justin Miller Bush, my second  
16 son, I gave -- Barbara's -- you know, when I was married to  
17 Barbara I gave him a car, which was a Diamonte. A Mitsubishi  
18 Diamonte I had prior to all of this happening. And I gave --

19 Q Let me stop you there.

20 So you did not use any funds to buy either one of your  
21 sons a car? Is that your recollection --

22 A Well, I would like to explain that if I may.

23 None to Justin Miller Bush. The Diamonte I gave -- it was  
24 paid off. It was free and clear before all of this even  
25 started back in the middle '90s. But the car had low

1 mileage. 30,000 miles. And I gave that car to Justin.

2 Justin had a truck. And now this does, of course, relate  
3 to Charles Nolon Bush III.

4 Q Okay. And how does it relate to him?

5 A Well, I gave -- I had -- Justin left Tennessee where his  
6 truck was. He flew out. And I gave him my Diamante. And I  
7 had Chuck go pick up his truck. And I gave the truck,  
8 Justin's truck, to Charles Nolon Bush III.

9 And I made several payments. I did not pay any \$4,000 a  
10 month. You know, that confused me. Justin was earning money  
11 by working at the retreat. Cutting grass. Working with  
12 Dr. Ladley.

13 Q Thank you. I have no further questions.

14 MR. STORM: I have no further questions.

15 THE COURT: Mr. Bush, you are excused. Thank you.

16 MS. OLSON: Your Honor, the defense rests.

17 MR. STORM: We have no additional witnesses, Your  
18 Honor.

19 THE COURT: Ladies and gentlemen, you have now heard  
20 all the testimony that is going to be presented to you.  
21 We're going to recess until 1:00. We will take -- we will be  
22 working here to get jury instructions completed. Before you  
23 leave I will read a stipulation into the record. But we are  
24 going to break at until 1:00. And at that time you'll return  
25 here and I will instruct you on the law and you will hear

1 closing arguments.

2 It will be particularly important now that you have heard  
3 all the testimony that you still try to maintain -- you  
4 maintain an open mind until you get into the jury room and  
5 begin your deliberations. You have not been instructed on  
6 the law. You have not been advised by counsel of their  
7 perspective on these facts in the form of closing arguments.

8 So please do not discuss this matter amongst  
9 yourselves. Do not allow anybody to discuss it with you.  
10 And don't do any of your own investigation or view any news  
11 coverage of this matter.

12 Now I am going to read this stipulation and then we'll  
13 break for lunch.

14 The parties stipulate and agree to the following:

15 1. If called as witnesses, representatives of the Bank  
16 Crozier and the country of -- in the country of Nevis would  
17 testify that Government Exhibits 3001, 3002, 3003, 3004,  
18 11002, 11004, 11006, 11008, 11010, 11012, 11014, 11016,  
19 11018, 11020, and 11022 are records of regularly conducted  
20 activity as that term is defined in Rule 803(6) of the  
21 Federal Rules of Evidence. The parties therefore agree and  
22 stipulate to the admission of the exhibits pursuant to 18  
23 U.S.C. Section 3505.

24 If called as a witness, a representative of Washington  
25 Mutual Bank would testify that Government Exhibit No. 1008 is

1 a record of regularly conducted activity as that term is  
2 defined by Rule 803(6) of the Federal Rules of Evidence. The  
3 parties therefore agree and stipulate to the admission of the  
4 exhibit pursuant to Rule 902(11) of the Federal Rules of  
5 Evidence.

6 So stipulated. Dated this 5th day of November and signed  
7 by the lawyers in this matter.

8 Based on the stipulation, those exhibits that were  
9 referred to have been admitted and they will be available to  
10 you during your deliberations.

11 (Exhibit Nos. 3001, 3002, 3003, 3004,  
12 11002, 11004, 11006, 11008, 11010,  
13 11012, 11014, 11016, 11018, 11020,  
14 11022, and 1008 admitted.

15 THE COURT: All right. So, ladies and gentlemen, we  
16 are now going to break until 1:00. Have a nice lunch. Get  
17 ready to come back and go to work.

18 (Jury exits the courtroom.)

19 THE COURT: Please be seated.

20 What I would like to do is complete the preparation of the  
21 jury instructions at this time. First, I have a question  
22 that's really one of housekeeping.

23 Have there been certain charts and summaries that have  
24 been shown but not admitted? Or have all of the charts and  
25 summaries that have been shown actually been admitted? I had

1 the pie charts in mind. And were they admitted or were they  
2 not admitted?

3 MR. STORM: They were not.

4 THE COURT: Okay. Then I will give both instructions  
5 on that. It's a simple matter.

6 Then let me say with respect to the proposed jury  
7 instructions from the defense, as I indicated earlier, I am  
8 not inclined to give Instruction -- proposed Instruction  
9 No. 2. I do not believe that the statute regarding corporate  
10 sole informs the jury in any manner as to the legality of the  
11 conduct of which Mr. Bush is accused here. And it is not --  
12 it is not in any way germane.

13 I would add that there is a good-faith instruction that  
14 has been submitted by the government that I will be giving.  
15 And that will allow you, Ms. Olson, to argue your point.

16 I am also not willing to give the advice of counsel  
17 instruction. I do not believe that there is any foundation  
18 for such an instruction. I don't know -- on the one hand,  
19 Mr. Stoll is not a lawyer. I'm not sure what an  
20 ecclesiastical lawyer does. But I'm pretty certain that  
21 there is nothing that pertains to this case that is of an  
22 ecclesiastical nature or any -- the Court -- the record  
23 before the Court does not give any basis for the Court to  
24 believe that Mr. Stoll somehow passed judgment on the Mintus  
25 operation or the San Quintin operation and the way it was



1 promoted, the representations that were made in any way,  
2 shape, of form.

3 As to Mr. Grant, the first thing that comes to mind is the  
4 fact that he was paid almost \$2 million, which is a pretty  
5 good fee for corporate advice. The evidence suggests that  
6 Mr. Grant was up to his eyeballs in the operation and is more  
7 akin to a partner than legal counsel.

8 And, in any event, it does not appear to the Court based  
9 on the evidence before it that at any time Mr. Bush made a  
10 full disclosure of all material facts to his attorney,  
11 received advice as to the specific course of conduct that he  
12 or she should follow, and relied on the advice in good faith.  
13 And on the basis of that lack of evidence in the record, the  
14 Court declines to give the advice of counsel instruction.

15 Ms. Olson?

16 MS. OLSON: Your Honor, may I be heard on that,  
17 please?

18 THE COURT: Yes. And also I want you to take your  
19 formal objection exception for preservation.

20 MS. OLSON: And I will. But I do just want to be  
21 heard on the advice of counsel.

22 I understand where the Court is coming from on the  
23 corporation sole instruction. And I do understand there --  
24 the advice of counsel instruction was not proposed for  
25 Mr. Stoll's advice because we -- I agree he is not a member

1 of bar. And it is directed towards Nigel Scott Grant's  
2 advice. And I think that testimony by Mr. Bush was that from  
3 the very beginning he was talking to him about what kind of a  
4 program that he wanted.

5 You know, the cases that the government has presented to  
6 oppose this instruction I think really highlight the  
7 difference between the reasons in those cases why the  
8 instruction was not acceptable and the reasons why it's  
9 acceptable here. And I think that the cases fall in two  
10 categories. One where the defendant client did not give full  
11 information to the attorney, and the other is where they gave  
12 false information to the attorney and relied on advice.

13 And that didn't happen here. Mr. Grant knew what was  
14 going on from day one. He knew what kind of a program he  
15 wanted. He knew why he wanted it. He knew what the goals  
16 were. And he made recommendations to Mr. Bush. He drew up  
17 the paperwork. Mr. Bush testified he didn't really even  
18 understand all the paperwork.

19 THE COURT: Well, and here is the problem. Why I'm  
20 doing what I am doing. The advice that Mr. Grant may have  
21 given regarding the legality of this doesn't pass the giggle  
22 test. And the reason it doesn't pass the giggle test is  
23 that -- and the government didn't even deal with this. This  
24 \$800 million that's sitting over here in the corner, that is  
25 the explanation of why Mr. Bush thought he had access to all

1 these funds and so forth and so on. There is no lawyer in  
2 the world that wouldn't recognize that there is no legal  
3 obligation or basis for Mintus to say I've got \$800 million  
4 here that is yours and you need to go out and find widows and  
5 wage earners to throw in 20,000 bucks at a time to somehow  
6 free up this \$800 million -- I mean, this is a Glen Turner  
7 dare to be great operation. And, you know, Mr. Grant's law  
8 degree is not -- is not a get-out-of-jail-free card for  
9 people who are otherwise aimed at ripping folks off.

10 MS. OLSON: You know, and I think from the Court's  
11 comments it appears to me that the Court is evaluating all of  
12 the evidence.

13 THE COURT: I have to. That's the instructions.

14 MS. OLSON: But from -- and Mr. Bush is entitled to  
15 put on his defense and to present his theory of the case.  
16 And his theory, his defense is that he went to Scott Grant  
17 and he said I want to -- I need to get funding for this  
18 project. You know, I want to do it -- I got this corporation  
19 sole thing going on and I need somebody -- I need a lawyer to  
20 draw up the paperwork. And so Mr. Grant did. Mr. Grant  
21 should have told Mr. Bush from day one that this whole Mintus  
22 idea was a bad one, but he didn't.

23 So it's not really the quality of the advice. I think  
24 it's the reliance. Mr. Bush's good-faith reliance.

25 THE COURT: The point is you have a good-faith -- you

1 have a good-faith instruction that is going to allow you to  
2 make this argument.

3 MS. OLSON: I understand.

4 THE COURT: The reason I'm not allowing it is that  
5 the Court has a gatekeeper function with regards to jury  
6 instructions, has to be satisfied itself that there is some  
7 foundation that -- and from where I sit if, if, if Mr. Bush  
8 made full disclosure of all material facts, then Mr. Grant's  
9 a partner. He's a co-conspirator. And I'm not going to  
10 allow -- I'm not going to elevate a lawyer who is a  
11 co-conspirator to somehow a member of a learned profession  
12 who blesses this operation.

13 And that's why -- you can make that argument and I will  
14 overrule any objection that the government makes. You can  
15 make that argument based on the instructions you have. The  
16 Court's not going to participate by giving an instruction and  
17 somehow even remotely running the risk of commenting on the  
18 evidence.

19 MS. OLSON: I understand. Thank you, Your Honor.

20 THE COURT: Thank you, very much.

21 Anything else? And I will take that as a formal  
22 objection --

23 MS. OLSON: Thank you.

24 THE COURT: -- to the Court's refusal to give the  
25 instructions. Otherwise, the instructions as presented by

1 the government will be presented.

2 Anything further at this time?

3 MR. STORM: No, Your Honor.

4 THE COURT: All right. I expect us to be ready to go  
5 and argue this case at 1:00. So make sure that the room is  
6 set up the way you want it and that we have the technology  
7 all set up so that it conforms to the manner in which you  
8 want to present.

9 Any guesstimate about how much time you need?

10 MR. STORM: Your Honor, Mr. Letey will be giving the  
11 government's closing. He's anticipating about 40 minutes  
12 with 10 minutes of rebuttal.

13 THE COURT: Okay.

14 MS. OLSON: And, Your Honor, I'm thinking in the  
15 neighborhood of half an hour.

16 THE COURT: Okay. Very well.

17 MR. STORM: Your Honor, just in case this wasn't  
18 caught, when I went back over the jury instructions that the  
19 government provided, in the mail fraud jury instruction I at  
20 the bottom use the word "wire fraud" instead of "mail fraud."  
21 And I apologize for that typo.

22 THE COURT: Okay. In the mail fraud instruction?

23 MR. STORM: Yes.

24 THE COURT: I'm looking at it. Line 25?

25 MR. STORM: I believe that's right.

1 THE COURT: A mailing is caused when one knows that  
2 the wires will be used in the ordinary course of business or  
3 when one can reasonably foresee such use, and that should be  
4 when the mails?

5 All right. Very well. Anything else?

6 MR. STORM: No, Your Honor.

7 MS. OLSON: No, Your Honor.

8 THE COURT: We'll be at recess until 1:00.

9 (Court in recess.)

10 THE COURT: Before we proceed any further, I want to  
11 give the lawyers one last opportunity to make any formal  
12 objections or exceptions to the instructions. The defense  
13 has excepted to the Court's refusal to give the two jury  
14 instructions that they proposed on advice of counsel and on  
15 the corporate sole.

16 Are there any objections to the instructions that are  
17 being given? The charging instructions?

18 MS. OLSON: No, Your Honor.

19 THE COURT: Okay. Very well. Are we ready for the  
20 jury then?

21 MR. STORM: We are.

22 THE COURT: All right. What we're going to do is  
23 I'll instruct them on the law. And do you all have copies of  
24 instructions?

25 MR. STORM: We don't. I have the government's copy.

1 THE COURT: Do you have a copy of the verdict form or  
2 anything?

3 MR. STORM: No.

4 MS. OLSON: Just what the government filed.

5 THE COURT: What I'm going to do is when the jury  
6 comes back, I will instruct them on the law. Rather than go  
7 over the indictment counts -- I think they're all in the  
8 verdict form -- I'll skip straight to the verdict form and  
9 indicate that I think that's a straight duplicate by my  
10 comparison.

11 MR. STORM: Yes, Your Honor.

12 THE COURT: So I'll go straight to the verdict form.  
13 I'll then direct their attention to Mr. Letey who will give  
14 the closing argument for the government, and Ms. Olson who  
15 will give the closing argument for Bush, and then the  
16 rebuttal for Mr. Letey.

17 At that point we will select the juror who will not  
18 deliberate and I'll allow him or her to get their things. I  
19 will instruct them on not discussing the matter further in  
20 case we need to re-call them. And at that point then the  
21 jury will be allowed to go into the jury room to deliberate.

22 Are we clear on our exhibits now? We've gone over the  
23 list.

24 THE CLERK: We've got about five more minutes.

25 THE COURT: All right. Anything further?

1 MR. STORM: For clarity, I'm planning on doing  
2 rebuttal.

3 THE COURT: All right. Let's bring the jury back  
4 then.

5 (Jury enters the courtroom.)

6 THE COURT: Ladies and gentlemen, welcome back.  
7 Please be seated.

8 I am going to now instruct you on the law. You have a  
9 copy of the jury instructions in front of and you can follow  
10 along. Let me remind you that we will be going then directly  
11 into closing argument. As one of the instructions informs  
12 you, closing arguments of counsel are not evidence. And so  
13 during that period of time you will not be taking notes.  
14 Your note-taking days are over. You'll have them during your  
15 deliberations and can refer to them, but you are not to take  
16 notes during the closing arguments of counsel or during the  
17 instructions as given by the Court. You will have your  
18 instructions to follow along.

19 So if you would kindly follow along with me. Instruction  
20 No. 1. Members of the jury, now that you have heard all of  
21 the evidence it is my duty to instruct you on the law which  
22 applies to this case. A copy of these instructions will be  
23 available in the jury room for you to consult. It is your  
24 duty to find the facts from all the evidence in the case. To  
25 those facts you will apply the law as I give it to you. You



1 must follow the law as I give it to you whether you agree  
2 with it or not. And you must not be influenced by any  
3 personal likes or dislikes, opinions, prejudices, or  
4 sympathy. That means that you must decide the case solely on  
5 the evidence before you. You recall that you took an oath  
6 promising to do so at the beginning of case.

7 In following my instructions, you must follow all them and  
8 not single out some and ignore others. They are all equally  
9 important. You must not read into these instructions or  
10 anything the Court may have said or done any suggestion as to  
11 what verdict you should return. That is a matter entirely up  
12 to you.

13 The indictment is not evidence. The defendant has pleaded  
14 not guilty to the charge. The defendant is presumed to be  
15 innocent and does not have to testify or present any evidence  
16 to prove innocence. The government has the burden of proving  
17 every element of the charge beyond a reasonable doubt.

18 The defendant has testified. You should treat this  
19 testimony just as you would the testimony of any other  
20 witness.

21 Instruction 4. Proof beyond a reasonable doubt is proof  
22 that leaves you firmly convinced that the defendant is  
23 guilty. It is not required that the government prove guilt  
24 beyond all possible doubt. A reasonable doubt is a doubt  
25 based upon reason and common sense and is not based purely on

1 speculation. It may arise from a careful and impartial  
2 consideration of all the evidence or from a lack of evidence.

3 If after a careful and impartial consideration of all the  
4 evidence you are not convinced beyond a reasonable doubt that  
5 the defendant is guilty, it is your duty to find the  
6 defendant not guilty. On the other hand, if after a careful  
7 and impartial consideration of all the evidence you are  
8 convinced beyond a reasonable doubt that the defendant is  
9 guilty, it is your duty to find the defendant guilty.

10 Instruction 5. The evidence from which you are to decide  
11 what the facts are consists of: one, the sworn testimony of  
12 any witness; two, the exhibits which have been received into  
13 evidence; and, three, any facts to which all the lawyers have  
14 stipulated.

15 Instruction No. 6. In reaching your verdict you may  
16 consider only the testimony and exhibits received into  
17 evidence. Certain things are not evidence and you may not  
18 consider them in deciding what the facts are. I will list  
19 them for you.

20 1. Arguments and statements by lawyers are not evidence.  
21 The lawyers are not witnesses. What they have said in their  
22 opening statements and will say in their closing arguments  
23 and at other times is intended to help you interpret the  
24 evidence, but it is not evidence. If the facts as you  
25 remember them differ from the way the lawyers state them,

1 your memory of them controls.

2 2. Questions and objections by lawyers are not evidence.  
3 Attorneys have a duty to their clients to object when they  
4 believe a question is improper under the Rules of Evidence.  
5 You should not be influenced by the question, the objection,  
6 or the Court's ruling on it.

7 3. Testimony that has been excluded or stricken or that  
8 you have been instructed to disregard is not evidence and  
9 must not be considered. In addition, some testimony and  
10 exhibits have been received only for a limited purpose.  
11 Where I have given a limiting instruction, you must follow  
12 it. Anything you may have seen or heard when the Court has  
13 not been in session -- was not in session is not evidence.  
14 You are to decide the case solely on the evidence received at  
15 the trial.

16 7. Evidence may be direct or circumstantial. Direct  
17 evidence is direct proof of a fact, such as testimony by an  
18 eyewitness about what that witness personally saw or heard or  
19 did. Circumstantial evidence is proof of one or more facts  
20 from which you could find another fact. You should consider  
21 both kinds of evidence. The law makes no distinction between  
22 the weight to be given to either or circumstantial evidence.  
23 It is for you to decide how much weight to give any evidence.  
24 In deciding the facts in this case, you may have to decide  
25 which testimony to believe and which testimony not to

1 believe. You may believe everything a witness says or part  
2 of it or none of it.

3 In considering the testimony of any witness you may take  
4 into account:

5 1. The opportunity and ability of the witness to see or  
6 hear or know the things testified to.

7 2. The witness's memory.

8 3. The witness's manner while testifying.

9 4. The witness's interest in the outcome of the cause and  
10 any bias or prejudice.

11 5. Whether other evidence contradicted the witness's  
12 testimony.

13 6. The reasonableness of the witness's testimony in light  
14 of all the evidence.

15 7. Any other factors that bear on believability.

16 The weight of the evidence as to a fact does not  
17 necessarily depend on the number of witnesses who testified.

18 9. You are here only to determine whether the defendant  
19 is guilty or not guilty of the charges in the indictment.

20 Your determination must be made only from the evidence in the  
21 case. The defendant is not on trial for any conduct or  
22 offense not charge in the indictment. You should consider  
23 evidence about the acts, statements and intentions of others,  
24 or evidence about other acts of the defendant only as they  
25 relate to this charge against the defendant.

1           10. The defendant is on trial only for the crimes charged  
2 in the indictment and not for any other activities.

3           11. A separate crime is charged against the defendant in  
4 each count. You must decide each count separately. Your  
5 verdict on one count should not control your verdict on any  
6 other count.

7           12. You have heard evidence of other acts engaged in by  
8 the defendant. You may consider that evidence only as it  
9 bears on the defendant's motive, opportunity, intent,  
10 preparation, plan, knowledge, identity, absence of mistake or  
11 accident, and for no other purpose.

12           13. You have heard testimony from persons who because of  
13 education or experience are permitted to state opinions and  
14 the reasons for their opinions. Opinion testimony should be  
15 judged just like any other testimony. You may accept it or  
16 reject it. And give it as much as weight you think it  
17 deserves considering the witness's education and experience,  
18 the reasons given for the opinion, and all the other evidence  
19 in this case.

20           14. Certain charts and summaries have been shown to you  
21 in order to help explain the facts disclosed by the books,  
22 records, and other documents which are in evidence in the  
23 case. They're not themselves evidence or proof any fact. If  
24 they do not correctly reflect the facts or the figures shown  
25 by the evidence in the case, you should disregard these

1 charts and summaries and determine the facts from the  
2 underlying evidence.

3 15. Certain charts and summaries have been received into  
4 evidence. Charts and summaries are only as good as the  
5 underlying supporting material. You should, therefore, give  
6 them only such weight as you think the underlying material  
7 deserves.

8 16. The defendant is charged in Count 1 of the indictment  
9 with securities fraud in violation of Section 78(j)(D) of  
10 Title 15 of the United States Code. In order for the  
11 defendant to be found guilty of that charge, the government  
12 must prove each of the following elements beyond a reasonable  
13 doubt:

14 First, the defendant used a device or scheme to defraud  
15 someone, made an untrue statement of a material fact or  
16 failed to disclose the material fact which resulted in making  
17 the defendant's statements misleading.

18 Second, the defendant's act or failure to disclose was in  
19 connection with the purchase or sale of a security.

20 Third, the defendant directly or indirectly used or caused  
21 to be used the mail or the telephone or other instrumentality  
22 of interstate commerce in connection with the acts or failure  
23 to disclose.

24 And, fourth, the defendant acted for the purpose of  
25 defrauding buyers or sellers of securities.

1 To defraud someone means to make a statement or  
2 misrepresentation which is untrue and known to the defendant  
3 to be untrue, or knowingly to fail to state something which  
4 is necessary to make other statements true and which relates  
5 to something important to the purchase or sale.

6 A mailing or use of the telephone or some other  
7 instrumentality of interstate commerce is caused when one  
8 knows that the mail, telephone, or other instrumentality will  
9 be used in the ordinary course of business or when one can  
10 reasonably foresee such use. It is not necessarily that the  
11 untrue statement itself passed through the mail or over the  
12 telephone or over -- or through some other instrumentality or  
13 interstate commerce so long as the mail or telephone or other  
14 instrumentality was used as a part of the purchase or sale  
15 transaction. It is also not necessary that the defendant  
16 made a profit or that anyone actually suffered a loss.

17 The government need only prove that the objects purchased  
18 or sold were in fact securities. They need not prove that  
19 the defendant had specific knowledge that the objects  
20 purchased or sold were securities.

21 The term security includes an investment contract. The  
22 contract need not be in writing. An investment contract is  
23 an investment of money in a common enterprise with profits to  
24 come solely from the efforts of others.

25 Instruction 18. The defendant is charged in Counts 2

1 through 14 of the indictment with wire fraud, in violation of  
2 Section 1341 of Title 18 of the United States Code. In order  
3 for the defendant to be found guilty of that charge, the  
4 government must prove each of the following elements beyond a  
5 reasonable doubt:

6 First, the defendant devised or knowingly participated in  
7 a scheme or plan to defraud in order to obtain money or  
8 property, with all of you agreeing on the particular scheme  
9 or plan to defraud.

10 Second, the scheme to defraud was material and it would  
11 reasonably influence a person to part with money or property.  
12 That is, it would reasonably influence a person to part with  
13 money or property. Excuse me.

14 Third, the defendant acted with intent to defraud.

15 And, fourth, the defendant used or caused to be used wire  
16 communications in interstate or foreign commerce to carry out  
17 or attempt to carry out an essential part of the scheme.

18 In determining whether a scheme to defraud exists, you're  
19 entitled to consider not only the defendant's words and  
20 statements, but also the circumstances in which they are used  
21 as a whole.

22 A defendant's actions can constitute a scheme to defraud  
23 even if there are no specific false statements involved. The  
24 deception need not be premised upon words or statements  
25 standing alone. The arrangement of the words or the



1 circumstances in which they are used may create an appearance  
2 which is false or deceptive, even if the words themselves  
3 fall short of this. Thus, even if statements as part of the  
4 scheme are not literally false, you may consider whether the  
5 statements taken as a whole are misleading or deceptive.  
6 Evidence beyond a reasonable doubt that a scheme was  
7 reasonably calculated to deceive is sufficient to establish a  
8 scheme to defraud.

9 A wire communication is caused when one knows that the  
10 wires will be used in the ordinary course of business or when  
11 one can reasonably foresee such use. It does not matter  
12 whether the material wired was itself false or deceptive so  
13 long as a wire was used as part of the scheme, nor does it  
14 matter whether a scheme or plan was successful or that any  
15 money or property was obtained.

16 19. The defendant is charged in Counts 15 through 17 of  
17 the indictment with mail fraud, in violation of Section 1341  
18 of Title 18 of the United States Code. In order for the  
19 defendant to be found guilty of that charge, the government  
20 must prove each of the following elements beyond a reasonable  
21 doubt:

22 First, the defendant devised or knowingly participated in  
23 a scheme or plan to defraud in order to obtain money or  
24 property, with all of you agreeing on a particular scheme or  
25 plan to defraud.

1           Second, the scheme to defraud was material. That is, it  
2       would reasonably influence a person to part with money or  
3       property.

4           Third, the defendant acted with the intent to defraud.

5           And, fourth, the defendant used or caused to be used the  
6       mail to carry out or attempt to carry out an essential part  
7       of the scheme.

8           In determining whether a scheme to defraud exists, you are  
9       entitled to consider not only the defendant's words and  
10      statements, but also the circumstances in which they are used  
11      as whole.

12          A defendant's actions can constitute a scheme to defraud  
13      even if there are no specific false statements involved. The  
14      deception need not be premised upon words or statements  
15      standing alone. The arrangement of the words or the  
16      circumstances in which they are used to create an appearance  
17      which is false or deceptive, even if the words themselves  
18      false short of this.

19          Thus, even if statements as part of the scheme are not  
20      literally false, you may consider whether the statements  
21      taken as a whole are misleading or deceptive.

22          Evidence beyond a reasonable doubt that a scheme was  
23      reasonably calculated to deceive is sufficient to establish a  
24      scheme to defraud.

25          A mailing is caused when one knows that the mail will be

1 used in the ordinary course of business or when one can  
2 reasonably foresee such use. It does not matter whether the  
3 material mailed was itself false or deceptive so long as the  
4 mail was used as a part of the scheme, nor does it matter  
5 whether the scheme or plan was successful or that any money  
6 or property was obtained.

7 20. An intent to defraud is an intent to deceive or  
8 cheat. Good faith is a complete defense to each count  
9 because good faith is inconsistent with an intent to defraud.  
10 Good faith means a belief or opinion honestly held without an  
11 intent to mislead. However, the defendant's belief that  
12 victims of any fraud will be paid in the future or will  
13 sustain no economic loss does not constitute a good-faith  
14 offense if there is an intent to defraud.

15 The defendant does not have the burden of proving he acted  
16 in good faith. The government must prove beyond a reasonable  
17 doubt that the defendant acted with the intent to defraud and  
18 did not act in good faith. Proof that the defendant acted  
19 with reckless disregard for the truth of material  
20 misrepresentations he may have made is inconsistent with good  
21 faith.

22 An act is done knowingly if the defendant is aware of the  
23 act and does not act through ignorance, mistake, or accident.  
24 The government is not required to prove that the defendant  
25 knew that his acts or omissions were unlawful. You may

1 consider evidence of the defendant's words, acts, or  
2 omissions along with all the other evidence in deciding  
3 whether the defendant acted knowingly.

4 Instruction 22. The defendant is charged in Counts 18  
5 through 32 of the indictment with engaging in unlawful money  
6 transactions with the proceeds of securities fraud, wire  
7 fraud, and mail fraud. In order for the defendant to be  
8 found guilty of that offense, the government must prove each  
9 of the following elements beyond a reasonable doubt:

10 First, the defendant knowingly engaged in a monetary  
11 transaction. That is, deposited funds to a bank account,  
12 transferred funds from one bank to the another, or withdrew  
13 funds from a bank account.

14 Second, a monetary transaction with the funds with a value  
15 greater than \$10,000 which was derived from securities fraud,  
16 wire fraud, or mail fraud.

17 Third, the defendant knew that the money transaction  
18 involved proceeds of a criminal offense.

19 Fourth, the monetary transaction took place in the United  
20 States.

21 And, fifth, the monetary transaction in some way or degree  
22 affected interstate or foreign commerce.

23 23. In order to convict the defendant of engaging in an  
24 unlawful monetary transaction with the proceeds of securities  
25 fraud, wire fraud, or mail fraud, in violation of Title 18,

1 United States Code Section 1957, you need not find the  
2 defendant guilty of the specific securities fraud, wire  
3 fraud, or mail fraud counts he is charged with in the  
4 indictment.

5 Rather, you must find only that the funds used in the  
6 monetary transactions charged in the engaging -- charged in  
7 the engaging and unlawful monetary transactions offenses were  
8 the proceeds of acts of securities fraud, mail fraud, or wire  
9 fraud, even if such acts are not charged in the indictment.

10 Further, you need not find that all of the funds used in  
11 the transaction were derived from fraud. It is sufficient  
12 for the government to show that the funds came from an  
13 account in which tainted proceeds were commingled with other  
14 funds. I have previously instructed you on the elements of  
15 securities fraud, wire fraud, and mail fraud.

16 24. A defendant may be found guilty of securities fraud,  
17 wire fraud, mail fraud, and engaging in an unlawful monetary  
18 transaction even if the defendant personally did not commit  
19 the act or acts constituting the crime but aided and abetted  
20 in its commission.

21 To prove a defendant guilty of aiding and abetting the  
22 government must prove beyond a reasonable doubt:

23 First, securities fraud, wire fraud, mail fraud, or  
24 engaging in an unlawful monetary transaction was committed by  
25 someone.

1 Second, the defendant knowingly and intentionally aided,  
2 counseled, demanded, induced, or procured that person to  
3 commit each element of securities fraud, wire fraud, mail  
4 fraud, or engaging in an unlawful monetary transaction.

5 And, third, the defendant acted before the crime was  
6 completed.

7 It is not enough that the defendant merely associated with  
8 the person committing the crime or knowingly or  
9 unintentionally did things that were helpful to that person  
10 or was present at the scene of the crime. The evidence must  
11 show beyond a reasonable doubt that the defendant acted with  
12 the knowledge and intention of helping that person commit a  
13 securities fraud, wire fraud, mail fraud, or engaging in an  
14 unlawful monetary transaction.

15 The government is not required to prove precisely which  
16 defendant actually committed the crime and which defendant  
17 aided and abetted.

18 Instruction No. 25. Your verdict must be based solely on  
19 the evidence and on the law as I have given it to you in  
20 these instructions. However, nothing that I have said or  
21 done is intended to suggest what your verdict should be. That  
22 is entirely for you to decide.

23 26. Some of you have taken notes during the trial.  
24 Whether or not you took notes, you should rely on your own  
25 memory of what was said. Notes are only to assist your

1 memory, and you should not be overly influenced by your  
2 notes.

3 27. The punishment provided by law for this crime is for  
4 the Court to decide. You may not consider punishment in  
5 deciding whether the government has proved its case against  
6 the defendant beyond a reasonable doubt.

7 28. A verdict form has been prepared for you. After you  
8 have reached unanimous agreement on a verdict, your  
9 foreperson will fill in the form that has been given to you,  
10 sign and date it, and advise the Court that you are ready to  
11 return to the courtroom.

12 29. If it becomes necessary during your deliberations to  
13 communicate with me, you may send me a note through the  
14 bailiff signed by your foreperson or by one or more members  
15 of the jury. No member of the jury should ever attempt to  
16 communicate with me except by a signed writing, and I will  
17 respond to the jury concerning the case only in writing or  
18 here in open court.

19 If you send out a question, I will consult with the  
20 lawyers before answering it, which may take some time. You  
21 may continue your deliberations while waiting for the answer  
22 to any question. Remember that you are not to tell anyone,  
23 including me, how the jury stands numerically or otherwise on  
24 the question of the guilt of the defendant until after you  
25 have reached a unanimous verdict or have been discharged.

1           Then there are 32 counts contained in the indictment. I'm  
2   not going to read those counts to you because they are  
3   duplicated in the verdict form. You may follow along as I  
4   read the verdict form because the verdict form will mirror  
5   the counts in indictment.

6           There is a verdict form. There will be one verdict form  
7   in the jury room with you, and that will be signed,  
8   ultimately prepared by the foreperson. It follows or tracks  
9   the indictment that you have in your jury instructions.

10          Count 1. January 23, 2002. Securities fraud. Sale of a  
11   security to S.R. in the form of a \$40,000 investment in Cabo  
12   San Quintin. Mark guilty or not guilty. There are two  
13   squares.

14          2. 11/9/99. Wire fraud. Wire transfer of \$8,000 from  
15   the account of G.M. at Woodstone Credit Union, Federal Way,  
16   Washington to an account opened in the name of Global Funding  
17   at Bank Crozier, St. George's, Grenada. And then a box for  
18   guilty or not guilty can be marked based on the jury's  
19   determination.

20          Count 3. January 6, 2000. Wire fraud. Wire transfer of  
21   \$1,350 from the account of D.F. at US Bank, Everett,  
22   Washington to an account opened in the name of Global  
23   Dominion Financial Services at Bank Crozier, St. George's  
24   Grenada. And again the same box, guilt or not guilty, can be  
25   filled in by the foreperson.



1 Count 4. January 7, 2000. Wire fraud. Wire transfer of  
2 \$21,000 from the account of G.M. at Woodstone Credit Union,  
3 Federal Way, Washington to an account opened in the name of  
4 Global Funding at Bank Crozier, St. George's, Grenada. Box  
5 for guilty or not guilty.

6 Count 5. January 27, 2000. Wire fraud. Wire transfer of  
7 \$1,375 from the account of R.D. at Pacific Northwest Bank,  
8 Gig Harbor, Washington to an account opened in the name of  
9 Global Dominion Financial Services at Bank Crozier, St.  
10 George's, Grenada. And a box for guilty or not guilty.

11 6. January 31, 2000. Wire fraud. Wire transfer of  
12 \$25,092 from the account of R.D. at Pacific Northwest Bank,  
13 Gig Harbor, Washington to an account opened in the name of  
14 Global Dominion Financial Services at Bank Crozier,  
15 St. George's, Grenada. And again a box for guilty or not  
16 guilty.

17 7. 5/11/2000. Wire fraud. Wire transfer of \$20,000 from  
18 the account of J.A. at Wells Fargo Bank, Seattle, Washington  
19 with an account opened in the name of Global Funding at Bank  
20 Crozier, St. George's, Grenada. And again a box for guilty  
21 or not guilty.

22 Q Count 8. October 31, 2000. Wire fraud. E-mail  
23 newsletter from financial planner L.W. in Bremerton,  
24 Washington to B.H. in Salida, Colorado promising future  
25 dividends and stating, among other things, quote, "The good

1 news is that Global Dominion Financial Services is in the  
2 process of updating the client accounts. After the update is  
3 complete your balance should reflect an increase of 150  
4 percent..." And there an ellipses and a period. "This  
5 additional 150 percent will be placed in a holding account in  
6 March 2001," end of quote. And a box for guilty or not  
7 guilty.

8 Count 9. December 11, 2000. Wire fraud. E-mail  
9 newsletter from financial planner L.W. in Bremerton,  
10 Washington to B.H. in Salida, Colorado promising future  
11 dividends and stating, among other thing, "Your balance  
12 should reflect --" quote, "Your balance should reflect an  
13 increase of 150 percent... This additional 150 percent will  
14 be placed in a forward account until March 15, 2001. At that  
15 time the new balance will be available to you," end quote.  
16 And a box for guilty or not guilty.

17 Count 10. December 20, 2000. Wire fraud. E-mail  
18 newsletter from financial planner L.W. in Bremerton,  
19 Washington to D.H. in Salida, Colorado offering a new  
20 investment opportunity in Cabo San Quintin stating, among  
21 other things, quote, "GDFS is alive and well... The Baja  
22 management group has created and is now offering an  
23 opportunity to the GDFS client base to become part of this  
24 exciting new resort," end of the quote.

25 Count 11. March 22, 2001. Wire fraud. E-mail newsletter

1 from financial planner L.W. in Bremerton, Washington to D.H.  
2 in Salida, Colorado promising the wiring of dividends and  
3 stating, among other things, quote, "As you know, GDFS is in  
4 the process of sending wires out to the LLC managers who have  
5 requested them... Best guess on the wires, they should be  
6 completed by April 15," end of quote. And then a box for  
7 guilty or not guilty.

8 Count 12. April 20, 2001. Wire fraud. Wire transfer of  
9 \$25,000 from the account of B.F. at Bank of Cascades,  
10 Pineville, Oregon to an account opened in the name of  
11 Cornerstone Institute escrow account at US Bank, Seattle,  
12 Washington. A box for marking guilty or not guilty.

13 13. April 23, 2001. Wire fraud. Wire transfer of  
14 \$20,000 from the account of B.F. at Bank of Cascade,  
15 Pineville, Oregon to an account opened in the name of  
16 Cornerstone Institute escrow account at US Bank, Seattle,  
17 Washington. And a box for guilty or not guilty.

18 14. May 18, '01. Wire fraud. E-mail newsletter from  
19 financial planner L.W. in Bremerton, Washington to D.H. in  
20 Salida, Colorado promising future dividends and stating,  
21 among other things, quote, "GDFS has decided to prepare the  
22 next dividend on June 15 or thereabouts. GDFS has stated  
23 that they are expecting the dividend to be between 11 and a  
24 quarter percent up to 25 percent," end of quote. And a box  
25 for guilty or not guilty.

1           15.   January 27, 2000.   Mail fraud.   Global Domini on  
2   Financial Services application packet sent to R.D. from Gig  
3   Harbor, Washington to Global Domini on Financial Services,  
4   Charleston, Nevis.   Mark a box for guilty or not guilty.

5           16.   March 17, 2000.   Mail fraud.   Hulaman Trust Credit  
6   Union certificate account sent by Global Domini on Financial  
7   Services from San Diego, California to G.M. in Federal Way,  
8   Washington.   A box for guilty or not guilty.

9           17.   June 8, 2000.   Mail fraud.   A letter notifying D.F.  
10   that an online bank account had been established for D.F.  
11   into which Global Domini on Financial Services profits would  
12   be deposited and sent by Global Domini on Financial Services  
13   from San Diego, California to D.F., Everett, Washington.   And  
14   a box for guilty or not guilty.

15          18.   December 29, 1999.   Unlawful monetary transaction.  
16   Wire transfer of \$300,000 from an account opened in the name  
17   of Global Domini on Financial Services at Bank Crozier, St.  
18   George's, Grenada to an account opened in the name of Hulaman  
19   Management Services escrow account at US Bank, Seattle,  
20   Washington.   And then a box for guilty or not guilty.

21          19.   January 5, 2000.   Unlawful monetary transaction.  
22   Wire transfer of \$200,000 from an account opened in the name  
23   of Global Domini on Financial Services at Bank Crozier,  
24   St. George's, Grenada to an account opened in the name of  
25   Hulaman Management Services escrow account at US Bank,

1 Seattle, Washington. And a box for marking guilty or not  
2 guilty.

3 Count 20. January 12, 2000. Unlawful monetary  
4 transaction. Wire transfer of \$200,000 from an account  
5 opened in the name of Global Dominion Financial Services at  
6 Bank Crozier, St. George's, Grenada to an account opened in  
7 the name of Hulaman Management Services escrow account at US  
8 Bank, Seattle, Washington. And a box to mark guilty or not  
9 guilty.

10 Count 21. February 15, 2000. Unlawful monetary  
11 transaction. Wire transfer of \$250,000 from an account  
12 opened in the name of Global Dominion Investments at Bank  
13 Crozier, St. George's, Grenada to an account opened in the  
14 name of Hulaman Management Services escrow account at US  
15 Bank, Seattle, Washington. And then a box to mark guilty or  
16 not guilty.

17 Count 22. February 17, 2000. Unlawful monetary  
18 transaction. Wire transfer of \$175,000 from an account  
19 opened in the name of the Heart Foundation LLC at Bank  
20 Crozier, St. George's, Grenada to an account opened in the  
21 name of From The Heart Foundation at US Bank, Seattle,  
22 Washington. And a box to mark guilty or not guilty.

23 23. March 10, 2000. Unlawful monetary transaction. Wire  
24 transfer of \$100,000 from an account opened in the name of  
25 Global Dominion Financial Trust Services at Bank Crozier,

1 St. George's, Grenada to an account opened in the name of  
2 From The Heart Foundation at US Bank, Seattle, Washington.  
3 And a box to mark guilty or not guilty.

4 24. March 20, 2000. Unlawful monetary transaction. Wire  
5 transfer of \$250,000 from an account opened in the name of  
6 Global Dominion Investments at Bank Crozier, St. George's,  
7 Grenada to an account opened in the name of Hulaman  
8 Management Services escrow account at US Bank, Seattle,  
9 Washington. And a box to mark guilty or not guilty.

10 15. March 27, 2000. Unlawful monetary transaction. Wire  
11 transfer of \$300,000 from an account opened in the name of  
12 Global Dominion Investments at Bank Crozier, St. George's,  
13 Grenada to an account in the name of Hulaman Management  
14 Services escrow account at US Bank, Seattle, Washington. And  
15 a box to mark guilty or not guilty.

16 Count 26. April 20, 2000. Unlawful monetary transaction.  
17 Wire transfer of \$200,000 from an account opened in the name  
18 of Global Dominion Investments at Bank Crozier, St. George's,  
19 Grenada to an account opened in the name of Hulaman  
20 Management Services escrow account at US Bank, Seattle,  
21 Washington. And a box to mark guilty or not guilty.

22 27. April 26, 2000. Unlawful monetary transaction. Wire  
23 transfer of \$50,000 in an account opened in the name of  
24 Global Dominion Investments at Bank Crozier, St. George's,  
25 Grenada to an account opened in the name of From The Heart

1 Foundation at US Bank, Seattle, Washington. And a box to  
2 mark guilty or not guilty.

3 Count 28. April 26, 2000. Unlawful wire transaction.  
4 Wire transfer of \$35,569.27 from an account opened in the  
5 name of Global Dominion Investments, Bank Crozier,  
6 St. George's, Grenada to an account opened in the name of  
7 From The Heart Foundation at US Bank Seattle, Washington.  
8 And a box to mark guilty or not guilty.

9 29. May 2, 2000. Unlawful monetary transaction. Wire  
10 transfer of \$150,000 from an account opened in the name of  
11 Global Dominion Investments at Bank Crozier, St. George's,  
12 Grenada to an account opened in the name of Hulaman  
13 Management Services escrow account at US Bank, Seattle,  
14 Washington. And a box to mark guilty or not guilty.

15 Count 30. April 22, 2000. Unlawful monetary transaction.  
16 Wire transfer of \$120,000 from an account opened in the name  
17 of Global Dominion Investments at Bank Crozier, St. George's,  
18 Grenada to an account opened in the name of From The Heart  
19 Foundation. And a box to mark guilty or not guilty.

20 31. May 24, 2000. Unlawful monetary transaction. Wire  
21 transfer of \$100,000 from an account opened the name of  
22 Global Dominion Investments at Bank Crozier, St. George's,  
23 Grenada to an account opened in the name of Cornerstone  
24 Institute escrow account at US Bank Seattle, Washington. And  
25 a box to mark guilty or not guilty.

1           32. Count 32. May 24, 2000. Unlawful monetary  
2 transaction. Wire transfer of \$50,000 from an account opened  
3 in the name of Global Dominion Investments at Bank Crozier,  
4 St. George's, Grenada to an account opened in the name of  
5 Cornerstone Institute at US Bank, Seattle, Washington. And a  
6 box to mark guilty or not guilty.

7           And then the verdict form is dated this blank day of  
8 November 2008, to be signed by the foreperson.

9           All right. Ladies and gentlemen, you have now been  
10 instructed on the law. You have had the verdict form recited  
11 to you. I would now ask you to kindly direct your attention  
12 to Mr. Letey, who will deliver the closing argument on behalf  
13 of the government.

14           MR. LETEY: May it please the Court, Counsel, members  
15 of the jury.

16           On July 15, 2002 Nolon Bush left the United States for  
17 Poland. And in his wake he left broken trust, depleted  
18 savings, diminished home equity, and empty retirement  
19 accounts.

20           There is only one real issue in this case. Did Nolon Bush  
21 intend to deceive the investors of this \$35 million he took  
22 and spent as he pleased? The answer to that question is  
23 absolutely he did.

24           How did it start? Hulaman Management Services. Nolon  
25 Bush was living in a two-bedroom condo in the SeaTac area.



1 He had no money and was moving from one multi-level marketing  
2 program to the next. Then in December of 1998 he began  
3 selling investments. An IFR trust for Larry Wilcoxson of  
4 Modesto, California. He told investors a high probability of  
5 25 percent return for every four to six weeks. He told the  
6 investors it was risk free. He told them their money would  
7 never leave the bank. And he told them that it was  
8 guaranteed.

9 But he knew the money was going to leave the bank. He  
10 knew that he was going to spend two-thirds of the money as he  
11 pleased. But he didn't stick with Larry Wilcoxson very long.  
12 He shifted to Carolyn Mintus. Yet the offering remained the  
13 same. 25 percent return every four to six weeks guaranteed.  
14 Your money will never leave the bank.

15 Besides his verbal representations, he sent fraudulent  
16 account statements. Account statements prepared by Tammy  
17 Stuckey. Tammy Stuckey testified that she went to work for  
18 Nolon Bush while they were still living at the condominium.  
19 She was paid \$1,000 a week cash stuffed in an envelope.

20 She did as Nolon Bush instructed. He's the one that  
21 determined how much money to put on the account statements.  
22 But he knew there were no profits. He knew where the money  
23 was going. He was spending it.

24 And in addition to the account statements, he also sent  
25 the investors checks. Those investors that wanted their

1 money right away, he sent them their dividend checks earning  
2 25 percent.

3 The purpose of these statements and these checks? To  
4 excite the investors. What would the investors do? They  
5 would invest more money. They would tell their friends.  
6 They would tell their family members. They would tell the  
7 members of their church. And they would tell their  
8 co-workers. And they, too, would invest.

9 He recruited financial planners. Financial planners like  
10 the Websters. These were his front line to the investors.  
11 And they're the ones that sent the newsletters later on after  
12 the investment was failing.

13 During this time of Hulaman Management Services, Nolan  
14 Bush raised in excess \$9.5 million. That was from December  
15 of '98 to September of 1999. What did he do with the money?  
16 He invested less than one-third of it. He spent the rest as  
17 he pleased. He purchased View Park Estate. He bought  
18 artwork. He bought the suite at Safeco. He bought a suite  
19 for the Seahawks stadium. And then he paid back investors  
20 some of the money. The appearance? The investment's  
21 profitable. He was a successful businessman. And this all  
22 went towards the deception.

23 But then Hulaman ended. It shifted to Global Dominion  
24 Financial Services. This is when it became more secretive.  
25 Files were shifted to Scott Grant's office in Coronado, the

1 phones were sent to Nevis, and the bank accounts were  
2 overseas.

3 But he continued to promote from View Park and from Safeco  
4 Field. He continued to tell investors the money would never  
5 leave the bank. Guaranteed return. 25 percent per trade.  
6 And he continued to send the account statements. He didn't  
7 tell the investors of the failure of Carolyn Mintus. No. He  
8 continued to raise money. And between October of '99 and May  
9 of 2000, he raised in excess of over \$20 million.

10 Once again, one-third of that money was invested. But  
11 most of it was stolen. About 1.5 million went towards the  
12 improvement of his home that he purchased. About one-third  
13 went back to the investors. More for the Mariners. And the  
14 appearance continued. The appearance of success. He had the  
15 suite. He had the home. And the investors had their money.

16 This time, though, the investors' money was going  
17 offshore. But he had to get the money back somehow to spend.  
18 That is where the money laundering counts come in. Those are  
19 Counts 18 through 32. Between December of 1999 and May of  
20 2000, almost \$2.5 million was transferred back to accounts  
21 controlled by Nolon Bush and Marilyn March in the U.S. This  
22 money came from accounts overseas where the investors had  
23 sent their money.

24 Then Ron Henderson from the FBI called in April of 2000,  
25 and Global Dominion started to wrap up. By May of 2000, it

1 shut down. But the investor contact didn't end. He needed  
2 to continue to lull the investors. He had all the angry  
3 phone calls coming. They maintained that they were going to  
4 Nevis.

5 And then you had the newsletters from the Webster's. Why  
6 did he need to do that? He needed to do that to keep the  
7 investors at bay. Those newsletters are the basis for Counts  
8 8 through 11 and Count 14. These are the e-mails from the  
9 Webster's to Dorothy Hostetler. The basis of these e-mails?  
10 March 15, 2001, 150 percent bonus dividend. This was if  
11 investors agreed to keep their money in until March 15, 2001,  
12 he would give them a 150 percent dividend. This is a number  
13 that Nolon Bush came up with.

14 September of 2001 the Nevis office shuts down. Investors  
15 are left holding the bag. They don't know what to do. There  
16 is no one to get a hold of. But that doesn't stop Nolon  
17 Bush. He has to continue. He has to raise money. This is  
18 what he's doing for a living. This is what he's living on.

19 So it becomes just the Mexico resort. And this is  
20 Cornerstone Institute. July 27, 2000 he signs the deal with  
21 Doug Stephan to contribute \$800 million towards the  
22 development of the resort in Mexico. This is two weeks after  
23 the 150 percent dividend goes down. He doesn't have the  
24 money to pay the investors at the time, yet he's committing  
25 \$800 million to a resort in Mexico.

1           He begins to promote the resort through Mike Shanahan.  
2       Because it was different than the Carolyn Mintus investment,  
3       the story changed a bit. This time the lies were  
4       construction is almost complete. Of course, construction  
5       hadn't started. Or even that they had purchased the land, of  
6       which none of those had actually occurred.

7           He didn't tell investors that he was hundreds of millions  
8       of dollars behind in his payments. He had only paid  
9       \$1.9 million of the \$800 million that he committed. And he  
10      defaulted on the payments in the first four months.

11          From June 2000 to January of 2002, Nolon Bush raised in  
12      excess of \$5.7 million. And, once again, a third goes  
13      towards investments and the rest is diverted to spend as he  
14      pleased.

15          An example of this is Starla Ryan. Special Agent Breed  
16      testified about what happened to Starla Ryan's last \$40,000  
17      in January of 2002 when she invested. The bank account that  
18      it went into had \$4.00 in the account when her money was  
19      deposited. Over 36,000 of that was transferred to another  
20      account of Nolon Bush's that had very little money in it.  
21      Almost \$10,000 was withdrawn in cash of that money. The rest  
22      to pay utility bills. To pay Pete Herald, the chef. This  
23      was money that Nolon Bush was living off of. The house of  
24      cards came crumbling down.

25          March 7, 2002 he's kicked out of the Mexico resort project

1 because he can't contribute the money that he's obligated to  
2 do.

3 June 2002. Foreclose proceedings begin on View Park  
4 Estate.

5 July 15, 2002 Nolon Bush leaves the country never to come  
6 back. Most investors never hear from him again. A few do.  
7 And those that he does talk to, he wants more money from  
8 them.

9 How do we know that Nolon Bush told the investors at  
10 Hulaman and Global Dominion that their money would never  
11 leave the bank? That he was going to pool it into \$1 million  
12 and then immediately invest it? Or the guaranteed rate of  
13 return that he promised? Or that it was completely safe and  
14 that they were earning dividends? We know this from the  
15 investor that testified.

16 We heard from Dr. Robert Mansueto, the dentist from  
17 Coronado. He met Nolon Bush in June of '99. He met him  
18 through Scott Grant. Nolon Bush told him the money would  
19 never leave the bank. It was absolutely safe. He invested  
20 money. A month later he receives an account statement  
21 showing his increased balance. A month later he gets a check  
22 back for the dividend for what he thinks is a return on  
23 investment. He invests more money.

24 We heard from Dave Velandar. David Velandar, an attorney  
25 from Kentucky, he invested \$100,000 in March of 1999. He'd

1    been told by Nolon Bush the investment was in mid-term notes.  
2    Very successful. No risk. May 1999 he gets a check for  
3    \$25,000 from Nolon Bush. He believes it's working. He  
4    invests more. In total, David Velandier invested  
5    \$1.85 million.

6            And then we heard from Donald Fisher. Donald Fisher lived  
7    in Everett at the time he invested, but now he is a retired  
8    individual. He is responsible for accounts -- his are Count  
9    3 and Count 17 of the indictment. He heard Nolon Bush speak  
10   at a presentation. Nolon Bush talked about an offshore  
11   investment. 8 percent guaranteed where he could get up to 50  
12   percent return. It was a high-yield, short-term investment.  
13   Mr. Fisher refinanced his home. Pulled out equity and  
14   invested that money. He got account statements back showing  
15   his increased value. What did he do? Told other people  
16   about it and they invested as well.

17            Judith Allison from Seattle. That's Count 7 of the  
18   indictment. She learned of the investment through a friend.  
19   She attended a presentation where Larry Webster spoke. He  
20   said 8 percent guaranteed. One-year investment. 25 percent  
21   percent per turn return. She invested \$15,000. She did get  
22   her share certificate a short time later. The balance on her  
23   share certificate had gone up by over \$8,000. She'd already  
24   thought she'd made money. She invested another \$20,000.

25            And we also heard from Cody Bly. He was in Canada when he

1    invested.    He learned of the investment from Rick Felton.    He  
2    invested \$10,000.    He gets an account statement showing an  
3    increased value of 26 percent.    \$2,600 on this \$10,000  
4    investment.    He's thinking about investing more.

5           He has a friend that comes with him to Port Orchard to  
6    meet Nolon Bush.    His friend has a large amount of money and  
7    he's thinking about a investing large amount of money.    He  
8    meets with Nolon Bush.    He's told the property is the embassy  
9    of Nevis.    He sees the golf course.    He sees the house.    He  
10   sees that Nolon Bush is a very wealthy man.    He isn't told  
11   that the money will never leave the bank.    He's told that  
12   Global Dominion Financial Services is a bank.    Nolon Bush  
13   provides him a chart showing that in two years a \$1 million  
14   investment would be worth \$868 million.

15          Cody Bly left and eventually invested another \$15,000.  
16   That was \$15,000 he didn't have.    He had to borrow some of  
17   that from family members.

18          We also heard from Greg McCormick.    Greg McCormick is  
19   Counts 2, 4 and 16 of the indictment.    He's from Spokane  
20   Valley.    He learned of the investment from Tammy Stuckey, the  
21   person who created the account statements for Nolon Bush.    He  
22   meets Nolon Bush at the suite at the Mariners.    He's promised  
23   an 8 percent return guaranteed.    25 percent likely.    The  
24   principal will never be in jeopardy.    He used retirement  
25   savings in order to make his investment.    He made three



1 investments. We heard from William Miertschin. William  
2 Miertschin was from Texas. He invested \$100,000 with Nolon  
3 Bush. But he still wanted to meet him. And he came to View  
4 Park and he met him in 2000. Nolon Bush told him that it was  
5 a trading program. Trading was imminent. And the money  
6 would never leave the bank. And that it was insured. And  
7 that he had done this successfully for several years. At  
8 this point -- this is February of 2000 -- Nolon Bush  
9 testified that he was expecting a payment from Carolyn Mintus  
10 in early '99. William Miertschin is one of the people that  
11 talked to Nolon Bush after he had already gone to Poland.  
12 When he talked to Nolon Bush, Nolon Bush asked for more  
13 money.

14 We heard from Ray Donohue from Gig Harbor. Those are  
15 Counts 5, 6, and 15. He learned of the investment from a  
16 member of his church. He was told by that person that other  
17 members of the church had invested. He was told there was a  
18 9 percent guarantee and it was a 12- to 13-month investment.  
19 He was told there is urgency in his investment, though,  
20 because the minimum investment was set to go up to \$100,000.  
21 That's \$100,000 that Ray Donohue didn't have. So he got his  
22 money in early and made the \$25,000 investment.

23 We also heard from John Morris. John Morris is from  
24 Texas. He's the individual that recorded the telephone calls  
25 with Larry Webster. In those telephone conversations, Larry

1 Webster told him that in 1999 there had been eight  
2 transactions. Seven of them had paid 25 percent and one of  
3 them had paid 26 percent. He was told that it was guaranteed  
4 9 percent. And Larry Webster also explained to him the  
5 levels of investment. If he invested \$1 million, 50 percent  
6 per month. If he invested \$10 million, it's 70 percent  
7 month. John Morris invested \$25,000.

8 We then heard from Ken Marshall. Ken Marshall was from  
9 St. Louis, Missouri. He flew from Spokane -- or he flew to  
10 Spokane to meet with Rick Felton. Rick Felton told him about  
11 the levels of investment much like Larry Webster had told  
12 John Morris. \$1 million investment. 50 percent return per  
13 month. While he was there Ken Marshall met with investors  
14 who had already invested. They told him about the account  
15 statements. They told him about the money that they had  
16 gotten back.

17 He travels back to St. Louis. He's thinking about  
18 investing. But before he does that, he wants to meet Nolon  
19 Bush in person. He flies to Seattle. Goes out to View Park.  
20 Plays golf while he's waiting. He's an avid golfer. Nolon  
21 Bush tells him about the \$1 million investment. 50 percent  
22 return per month. Consistent with what Rick Felton told him.  
23 He contributes that \$1 million. 550,000 of it is his.

24 And then there's the Cornerstone Institute investors. We  
25 heard from Dave Franke and Starla Ryan. This is towards the

1 end. Dave Franke is Counts 12 and 13. He's from central  
2 Oregon. He learned of the investment through Mike Shanahan.  
3 Mike Shanahan told him that he had done business with Nolon  
4 Bush for 20 years. He told him the property had already been  
5 purchased and it's for the Mexico project.

6 He makes two investments. One for \$25,000 thousand. One  
7 for \$20,000. He then meets Nolon Bush later the summer of  
8 2001. Fall of 2001. Nolon Bush spreads out on the table at  
9 the restaurant the plans for the resort. He tells him that  
10 the property has been purchased in Mexico and they're ready  
11 to break ground. He wants more money.

12 And then there's Starla Ryan. She's the last investor we  
13 talked to. Starla Ryan learned of the investment from Mike  
14 Shanahan as well. She had gone to Michael Shanahan because  
15 of the tax problems that her deceased husband got into with  
16 the trust that he had purchased. During that they talked  
17 about an investment opportunity. And Nolon Bush calls her  
18 up. Nolon Bush tells her he's building a resort in Mexico.  
19 Phase one is almost complete. She invests \$40,000 from life  
20 insurance money. He tells her that phase one is almost  
21 complete. He doesn't tell her that construction hasn't  
22 begun. He doesn't tell her that they don't even own the land  
23 that the resort's going to sit on. And he doesn't tell her  
24 that he's \$100 million behind in his payments.

25 She gets an account statement showing that 40 grand has

1    earned \$4,500.    A little while later she gets another call  
2    from Nolon Bush.    He says that they just need a little bit  
3    more money for infrastructure.    Phase one is almost complete.  
4    She invests \$40,000 more money.    By this point they still  
5    haven't broken ground.    Still haven't started construction.  
6    Still don't even own the land.    And at this point Nolon Bush  
7    is \$300 million behind in payments.

8            How do we know that he lied to investors?    When he said  
9    the money would never leave the bank.    When he said he would  
10   invest the money as soon as he accumulated \$1 million.    And  
11   that he lied when he said that the investment was completely  
12   safe.    In fact, they were not earning dividends.

13           We heard it from other witnesses.    You heard it from Agent  
14   Carrie Breed.    She testified that only about a third of the  
15   money that was raised ever went towards an investment.  
16   8.7 million was paid back to investors.    But it didn't come  
17   from a return on investment.    There were no returns from  
18   Larry Wilcoxson.    And only \$53,000 from Carolyn Mintus.    In  
19   fact, David Velandar alone received more than \$53,000 in  
20   dividends back.    All the remaining dividends that Nolon Bush  
21   paid to investors came directly from new investors' money.  
22   He was robbing Peter to pay Paul.    The rest of the money he  
23   took and spent.

24           How else do we know that he lied about how -- what he was  
25   he was going to do with the money?    Ajit Simha.    Ajit Simha

1 was the manager of the office in Nevis. He testified that he  
2 received instructions from Scott Grant and Nolon Bush to  
3 transfer large amounts of -- wire large amounts of money to  
4 their respective accounts. And he also knew that the money  
5 was coming from the investors.

6 We also heard from the people who got the money. There is  
7 the View Park Estate. We heard from Joe Ladley, the person  
8 who sold the house for \$1.8 million. We heard from the  
9 people that did construction. We heard from the plumber.  
10 The framers. The interior designer who oversaw the remodel.  
11 Over \$3.8 million was spent on View Park Estates.

12 The defense would have you believe that View Park Estates  
13 was for charity. Well, we know this isn't true because we  
14 know who Marilyn March talked to. The two people that she  
15 knows the best for the purpose of View Park Estates, the real  
16 estate agent that sold them the property and the interior  
17 designer who oversaw the remodel. Marilyn March told Patty  
18 Rief, the real estate agent, the purpose was to impress  
19 clients and that she wanted a different piece of property  
20 that was going to be used as a shelter. Michael O'Neill.  
21 Marilyn March said she intended to live there and that she  
22 wanted to impress clients.

23 We also heard from the View Park staff. We heard from the  
24 personal chef. He was paid in cash. We heard from the  
25 masseuse. Paid in cash \$700 a week. And Nolon Bush received

1 a 90-minute massage every week.

2 We you heard from the head of security. We also heard  
3 from Lorelei Tarsiuk, the administrative assistant who was  
4 paid \$125,000 a year to be Nolon Bush's personal assistant.  
5 Paid to an offshore account.

6 We heard about the condo that was purchased in Tennessee  
7 for his daughter. The Dodge Durango paid for with investor  
8 money. The Ford truck paid for with investor money. Over  
9 \$600,000 to the Mariners for the luxury suite and Diamond  
10 Club seats. Over \$90,000 to the Seahawks for tickets to the  
11 Seahawks. There's the artwork. The Harley Davidson. The  
12 Cadillac. And over \$40,000 to Richard Cox for debugging.

13 The defense would have you believe that Nolon Bush  
14 intended to pay the investors back with \$800 million that he  
15 received from Carolyn Mintus and that he believed this. Even  
16 if he did believe this, he's still guilty. Still guilty  
17 because he lied to the investors to get their money in the  
18 first place.

19 The jury instructions state that good faith is a complete  
20 defense to intent to defraud. But the instructions also  
21 state that a belief that an investor will be repaid in the  
22 future does not make it good faith if there is intent to  
23 defraud. Additionally, the instruction states reckless  
24 disregard for the truth is inconsistent with good faith.

25 Nolon Bush intentionally lied to the investors to get

1 their money. He didn't act in good faith when he spent their  
2 money. And he did not act in good faith when he didn't tell  
3 them that Carolyn Mintus was failing.

4 Nolon Bush's actions also show that he did not really  
5 believe that he was going to get paid from Carolyn Mintus.  
6 Nolon knew before he got into this that most high-yield  
7 promoters were frauds.

8 The first person he got involved with was Larry Wilcoxson.  
9 He told Vicki Webster that Larry Wilcoxson had been searched  
10 by the FBI. What was his response to that? He moved the  
11 operations to Scott Grant's office and overseas.

12 Vicki Webster told him that she did a search on Carolyn  
13 Mintus on the Internet and found on a fraud website that she  
14 was a non-performer. His response to her? Don't believe  
15 everything you read.

16 And then you have Douglas Stephan. Douglas Stephan meets  
17 her. She talks about a development that she had been  
18 involved with. He knew it was not true. He tells this to  
19 Nolon Bush afterwards. His response? He just blows it off.

20 All the while he's been expecting money from Carolyn  
21 Mintus since early 99. And he couldn't believe that the  
22 Mexico project was going to work because he still needed the  
23 money from Carolyn Mintus in order to make that investment.

24 There are also other actions of Nolon Bush that speak  
25 volumes. The CIA-quality enigma devices to conceal and

1 scramble the phone calls. Richard Cox repeatedly coming out  
2 to the house to debug. Nolon Bush would have you believe the  
3 purpose of that was because the place was going to be a  
4 shelter and it was to protect the people that were staying  
5 there. Yet the first time Richard Cox came to debug, it was  
6 at the condo. He debugged Grant's office. And he even  
7 debugged Nolon Bush's car in June of 2000.

8 There is a letter he received from the Washington State  
9 Department of Financial Institutions. This is notice that  
10 maybe he's selling a security. What does he do? He gives  
11 the letter to Glenn Stoll to respond. And his response?  
12 Nolon Bush is not connected to Hulaman Management Services or  
13 Cornerstone Institute.

14 In April of 2000, Ron Henderson of the New York FBI calls.  
15 Lorelei Tarsiuk takes the phone call. He wants to talks to  
16 Nolon Bush. She takes a message. She tells Nolon about it.  
17 His response? Contact Glenn Stoll to find out how to  
18 respond. Not I am going to talk to Ron Henderson. I'm  
19 expecting money from Carolyn Mintus. Maybe she's a fraud.  
20 Maybe I can -- he can help me get my money back for my  
21 investors.

22 And then we also have cash withdrawals. \$1.4 million in  
23 cash withdrawals. Many of which were in \$9,000 increments.  
24 He would have you believe that's a week's worth of expenses  
25 at View Park, yet in December of 1999 alone he withdraw



1 \$81,000 in \$9,000 increments.

2 And then, of course, there's payments to investors. Part  
3 and parcel to the Ponzi scheme that this was, he had to pay  
4 off the investors to keep them happy even though he wasn't  
5 getting a dime from the investments.

6 The defense also relies on the claim that he relied upon  
7 his attorney. The attorney tells him, if you call it a loan,  
8 it's a loan. But that's simply not what investors were told.  
9 Why? Because if he told investors that he had planned to  
10 take two-thirds of the money and spend it as he pleased, they  
11 would not have invested. They testified to it. And it's  
12 common sense.

13 The judge has read you jury instructions on securities  
14 fraud, wire fraud, mail fraud, and unlawful monetary  
15 transactions. A person commits security fraud when there is  
16 a scheme to defraud in connection with the sale of a security  
17 using interstate commerce for the purpose to defraud the  
18 investors. That second element, in connection with the sale  
19 of a security, it includes an investment contract. And there  
20 is a definition of an investment contract provided. And  
21 investment of money and common enterprise with profits to  
22 come solely from the efforts of others.

23 That's what happened with Starla Ryan's money. Starla  
24 Ryan gave the money to Nolan Bush. It was based upon Nolan  
25 Bush's efforts that there was going to be profit from this

1 investment based upon other people's actions. She was not  
2 going to be the one digging in Mexico.

3 Additionally, in the security section it states need to  
4 show that the products were securities. Not that Nolon Bush  
5 knew them to be securities. Just because you believe that  
6 doesn't mean it's not a security.

7 There is overwhelming evidence that Starla Ryan's  
8 investment was a security. And it was securities fraud.  
9 There is no question that he intended to defraud her. He  
10 knew that they were -- that the resort had not begun  
11 construction. He knew they didn't even own the land. He  
12 knew they hadn't started construction because they didn't own  
13 the land. And he knew he was \$300 million behind in payments  
14 on the resort. And then what did he do with her money? He  
15 spent it. Didn't spend a dime of it on the resort.

16 Wire fraud. A person commits the crime of wire fraud when  
17 there is scheme to defraud, there's a promise or statements  
18 that are material made, acts with intent to defraud, and uses  
19 out wires to carry out the scheme. Additionally, it states a  
20 wire communication is caused when one knows that wires will  
21 be used in the ordinary course of business or when one can  
22 reasonably foresee the use.

23 Those wires from the investors to make their investment in  
24 the e-mails from the Webster's to Dorothy Hostetler, those  
25 were in the ordinary course of the scheme. And they

1 certainly should be foreseen. They were foreseen by Nolon  
2 Bush.

3 There is overwhelming evidence of the material  
4 misstatements that were intended to defraud. The use of the  
5 money. He gave the appearance of being a successful  
6 businessman running a successful investment. But that money  
7 came from investors. That's what the basis of his appearance  
8 was -- the investor money.

9 He said the money would never leave the bank. We already  
10 know the money left the bank. He said the investment was  
11 guaranteed. The investment wasn't guaranteed. And then  
12 there was fraudulent account statements to help induce people  
13 to invest more money and tell other people about it. And  
14 then he just spent the money. All of this shows his intent  
15 to defraud.

16 The crime of mail fraud. Very similar to wire fraud.  
17 Same elements except instead of the use of wires, use of the  
18 mails. And there is also the same language about causation.

19 The mail communication is caused when one knows that the  
20 mails will be used in the ordinary course of business or one  
21 can reasonably foresee such use. The mailings to the  
22 investors and from the investors, that was in the ordinary  
23 course of the scheme.

24 There is also overwhelming evidence of the intent to  
25 defraud. Still his claim of never leaving the bank,

1 guarantee of investment, fraudulent account statements, how  
2 he spent the money on himself all showed his intent to  
3 defraud.

4 Then there's the unlawful monetary transactions. That is  
5 when he knowingly engaged in a monetary transaction of over  
6 \$10,000 involving the proceeds of a criminal offense. The  
7 transactions occurred in the U.S. Involved interstate or  
8 foreign commerce. The definition also says it is sufficient  
9 for the government to show the funds came from an account in  
10 which the funds were commingled with other funds.

11 Here again the evidence overwhelming. The money transfers  
12 came from the Caribbean. Accounts where the investor funds  
13 were sent to. And where did it come back to? Accounts  
14 controlled by Nolon Bush and Marilyn March.

15 The evidence in this case proves beyond a reasonable doubt  
16 that Nolon Bush deceived the investors to get a hold of their  
17 money. He lied to the investors when he said the money would  
18 never leave the bank. He lied to them when he sent them  
19 account applications showing that their investment would be  
20 held in trust. He lied to them when he sent them trust  
21 agreements saying all of their funds had been deposited. He  
22 lied to them when he sent them the fraudulent account  
23 statements. And he took two-thirds of their money and spent  
24 it as he pleased. He spent it on a house. He spent it on  
25 personal staff. He spent it on luxury suites. He spent it

1 on cash. And he spent it on vacations.

2 In the making these false assertions Nolon Bush sold  
3 securities, used the mails, used the wires, and wired money  
4 back to his bank account. Accordingly, we ask that you find  
5 him guilty. Guilty of securities fraud, guilty of wire  
6 fraud, guilty of mail fraud, and guilty of money laundering.  
7 Thank you.

8 THE COURT: Thank you, Mr. Letey.

9 Now, ladies and gentlemen, if you would kindly direct your  
10 attention to Ms. Olson, who will deliver the closing argument  
11 on behalf of Mr. Bush.

12 Ms. Olson.

13 MS. OLSON: Thank you, Your Honor. Please the Court,  
14 Counsel, Mr. Bush, ladies and gentlemen of the jury.

15 First of all, I want to thank you on my own behalf and on  
16 behalf of Nolon Bush for committing your time and spending  
17 the last two and a half weeks here in this courtroom  
18 listening to the evidence. Every time we've looked at you  
19 we've noticed you intently watching the witnesses, reading  
20 the documents, and taking notes. There is nothing more that  
21 we can ask from you in your service here as jurors.

22 As I said in my opening, there is nothing to me that is  
23 more amazing and incredible than our American judicial  
24 system. Our justice system that allows a man like Nolon Bush  
25 to walk into this courtroom every day an innocent man and to

1 face the evidence put on by the government as they attempt to  
2 convince you that he is no longer innocent.

3 And it is you who are his judges and who will determine  
4 whether or not he loses that cloak of innocence. And the  
5 term is jury of his peers. And he knows that you are a jury  
6 of his peers because he is just like you. He is a person who  
7 has had successes and failures in his life. Who has had  
8 dreams that were realized and dreams that were dashed. Who  
9 made bad decisions and good decisions. Who made good  
10 investments and who made poor investments.

11 And so, again, there is nothing more we can ask of you but  
12 to judge him fairly and to apply the law that Judge Leighton  
13 has given you through the jury instructions.

14 I think the last couple of weeks you've seen a whole  
15 number of stories being told up there on the witness stand.  
16 And they kind of weaved together and they sort of become a  
17 picture. The government sees a picture of a villain. Of a  
18 con man. Of somebody who lied to folks.

19 We don't see that at all. When we put the pieces together  
20 kind of like a quilt where you take pieces of material with  
21 different colors and you put them together and you stand back  
22 and you look at it and you see a picture, when we do that,  
23 when we put the pieces of stories together, we don't see a  
24 villain at all. We see a man with good intentions. A man  
25 who had humanitarian goals and ideals and who wanted to

1 create something in Mexico. Not just a resort, but a place  
2 for poor people to have job. That's what we see when we put  
3 it together.

4 And those stories start first with a group of men. Three  
5 men. Duane Christy, whose whole idea it was to begin with to  
6 have a resort in Mexico. He joined with Nolon and with Doug  
7 Stephan. And they divided up jobs and they worked on this  
8 project.

9 Then there was the stories of the people that worked with  
10 Nolon Bush to help with the financing. That was his job, was  
11 to get financing. People like -- you never met Larry  
12 Webster, but you met Vicki Webster. And that he talked about  
13 what she did and how she became committed. And she believed  
14 in the same goals that Nolon Bush had. And she went out and  
15 talked to people. And how that worked out for her? Badly.

16 And we heard stories of -- finally, the primary story here  
17 is that of Nolon Bush and Marilyn March who met each other,  
18 had the same religious beliefs, the same religious  
19 convictions and the same humanitarian goals and who joined  
20 forces and to try to make something happen. And they failed  
21 as well.

22 And the final little piece here is the story of a lawyer  
23 and his son -- Nigel Scott Grant, Nicholas St. James -- who  
24 had a vision of creating this little business empire in the  
25 Caribbean. A little Island of Nevis. Also failed.

1 Ladies and gentlemen, this is a criminal case. This isn't  
2 a mini series. This isn't a plot for a TV series. This is  
3 real life. And the government is saying that Nolon Bush is  
4 guilty of criminal conduct as he was engaging with these  
5 people.

6 One of the reasons we believe that the government is able  
7 to amass so much information here is that Nolon didn't hide  
8 things. Everything was right out there in the open. And one  
9 of the problems that people had when they were dealing with  
10 Nolon was they didn't go further and they didn't ask more  
11 questions. They didn't ask the kind of questions that they  
12 could.

13 The investor/lenders, they were motivated by greed. They  
14 said -- Mr. Bly said that specifically. They were motivated,  
15 as John Morris said, by trying to get rich quick. And,  
16 ladies and gentlemen, we all know that is not possible.

17 The government has the burden of proving to you each and  
18 every element of each and every one of the 32 counts beyond a  
19 reasonable doubt. This is a very high burden. It is much  
20 higher than saying to you the evidence is overwhelming. No.  
21 You must, all of you together, sort through the evidence and  
22 look at each and every one of those elements to determine  
23 whether each and every one of them has been proven beyond a  
24 reasonable doubt for each and every one of the 32 counts.

25 We can look at the instructions for mail fraud. The first



1 element of mail fraud is that the defendant knowingly  
2 participated in a scheme or a plan. Nolon Bush did not  
3 participate in a scheme. He participated in a program to get  
4 funding for the Mexican resort at San Quintin. This was not  
5 a scheme.

6 The first element goes on. A scheme or a plan to defraud  
7 in order to obtain money. It wasn't to defraud. It was to  
8 fund a project that had two goals. Humanitarian and a  
9 resort.

10 The second element is that the scheme to defraud was  
11 material and that it would reasonably influence people to  
12 part with their money. He believed in this project. It was  
13 a real project. Even Harrison Fagg and Doug Stephan  
14 testified that this was a good opportunity. This was  
15 something real. This was not a scheme to defraud.

16 That he acted -- the third element. He acted with the  
17 intent to defraud. Regardless of what the government tells  
18 you, we don't see the evidence that he intended to defraud  
19 anyone. And you can go through each one of the charges.  
20 Count 1 charges Mr. Bush with securities fraud. The first  
21 element of that offense is that the defendant used a device  
22 or a scheme to defraud someone. Again, the word scheme. Not  
23 a scheme. The program.

24 That the defendant's act or failure to disclose was in  
25 connection with the sale or purchase of a security. You

1 heard Mr. Bush when he was testifying probably say more than  
2 once this paperwork speaks for itself. And it did. It said  
3 in plain language, in capital letters, this is not a  
4 security. What is this? A promissory note. Not a security.  
5 That element is not met.

6 The fourth element is that the defendant acted for the  
7 purpose of defrauding buyers and sellers of a security.  
8 Again, he was not buying and selling securities. So he had  
9 no intention to defraud anybody. Making those types of  
10 purchases.

11 Instruction 17 defines security as including an investment  
12 contract. Again, Nolon Bush was not dealing in investment  
13 contracts or securities. It was promissory notes. He was  
14 asking people to lend him money. Allowing him to invest the  
15 money. Obtain a return for the lender in addition to the  
16 principal and put part of it with the lender's account and  
17 the rest of it to fund the San Quintin project.

18 Counts 15 through 17 deal with mail fraud. Part of those  
19 counts are the newsletters that were sent by Larry and Vicki  
20 Webster through the Internet. Nolon testified he never saw  
21 those newsletters. He didn't do Internet. He didn't do  
22 e-mail. He didn't know anything about that. He was talking  
23 to the Webster's. And apparently they on their own, their  
24 own motivation, their own drive, because remember they were  
25 getting money for this, they were sending out these e-mails.

1     Nolon Bush did not authorize that. He didn't tell them why  
2     don't you send everybody an e-mail today because there's  
3     something -- let's all tell them 150 percent? You heard him  
4     testify that he was surprised to find out what people were  
5     saying in connection with his program, in putting together  
6     his program, putting it out and giving people the opportunity  
7     to invest.

8             Instruction 20 talks about the good faith. The good faith  
9     is a defense to fraud. And we believe, ladies and gentlemen,  
10    that that is what this case really is about. Not Nolon  
11    Bush's intent to defraud, but Nolon Bush's good faith in  
12    trying to meet a dream that he had.

13            Instruction 22 instructs you that Counts 18 through 32  
14    deal with unlawful money transactions. The third element of  
15    this offense says that you must find beyond a reasonable  
16    doubt that Nolon Bush knew that the monetary transactions  
17    involved the proceeds of a criminal offense.

18            Ladies and gentlemen, I didn't hear anything that proved  
19    to me at all, much less beyond a reasonable doubt, that Nolon  
20    Bush had a clue he was engaging in criminal activity or a  
21    criminal defense.

22            Instruction 24 deals with aiding and abetting. So if he  
23    did not himself commit the offense, then maybe he aided and  
24    abetted somebody else who committed the offense. And that  
25    instruction tells you it is not enough for the defendant

1 merely to associate with the person committing the offense or  
2 unknowingly and unintentionally doing things that were  
3 helpful to that person.

4 Well, being present at the scene of the crime, that's not  
5 enough to find that he aided and abetted somebody else. He  
6 has to be involved. He has to know. He has to be as  
7 committed as the person who is actually committing the  
8 offense.

9 So, ladies and gentlemen, let me review with you the  
10 evidence that I believe, that Nolon believes supports our  
11 view, our picture of the stories that he is not a criminal,  
12 but somebody who has a dream that went miserably bad.

13 The first thing that strikes me and has always struck  
14 Nolon and I is he stands here by himself. He didn't do any  
15 of this all by himself. He had a lot of help. And, of  
16 course, the person helped the most was Nigel Scott Grant.  
17 The lawyer. He met on with Nigel Scott Grant early on. Told  
18 him what he wanted to do. And Nigel Scott Grant kind of took  
19 it from there.

20 You heard Mr. Bush testify that -- when we were reading  
21 through papers and I was asking him why did this -- why was  
22 this clause in the paperwork? And Mr. Bush said, you know, I  
23 really don't know. I left that to Scott. How many times did  
24 you hear that? I left that to Scott.

25 Where's Scott? He's not here, ladies and gentlemen.

1 Neither is his son Nicholas St. James. Neither are anybody  
2 else. He stands here alone. He certainly didn't act alone.

3 So let's now look at Nolon's story. He started the family  
4 of a dairy farmer. So his first memories are of selling  
5 things. Selling dairy products. Going around helping his  
6 father delivering milk products. He moved on to selling  
7 cookware in college. And cosmetics. Seminars.

8 Mr. Bush has had a lifetime of sales. And he has  
9 preferred to do his selling where he has much more direct  
10 contact with the customer. Not working for, say, General  
11 Foods where he's in an office. No. He prefers what is  
12 called network marketing. Where he can actually do hands-on  
13 with the prospective customer. He really enjoys that  
14 person-to-person contact. And that is where he has spent his  
15 life. His working life.

16 Mr. Bush is a deeply religious man, as you heard. This is  
17 his very first criminal offense in his 69 years of life. And  
18 he dedicated his life to Christ in 1973. And he was so  
19 serious about that that when he got involved with having to  
20 fund this project in San Quintin the first thing that he  
21 looked at was how to put a program together that would  
22 incorporate his religious beliefs. It is very important to  
23 him that you remember the thousands of hours of Bible study  
24 that he testified to and continues even today. Defrauding  
25 people, lying to people, stealing from people are not part of

1 his beliefs. Not at all. And up until right now he has  
2 never been accused of that.

3 Nolon came to Washington in 1991, as you probably recall.  
4 And his job was to promote and develop the Lite and Right  
5 company, which was selling weight-loss products. And it was  
6 during that job that he met Marilyn March, who was first a  
7 colleague, a short time as a lover, and then a companion and  
8 partner.

9 They were attracted to each other because they shared so  
10 many of the same beliefs. They shared the same religious  
11 beliefs and they shared the same conviction to helping the  
12 less fortunate. Nolon, of course, committed to his project  
13 in Mexico. And Marilyn committed to victims of domestic  
14 violence. Of course, this grew time over time. And this  
15 didn't exist in the early '90s when they first met each  
16 other. But the attraction and the strong bond that they  
17 developed was something that was there from the beginning and  
18 only grew stronger.

19 When ephedra was taken off the market, Lite and Right  
20 folded. Hence, Marilyn -- by the this time Marilyn and Nolon  
21 were kind of working together as a team. And they moved on  
22 together to Travel Max, yet another network marketing company  
23 that they preferred to do.

24 You know, you might stand back and look at all of this and  
25 think to your self, gee, why would Nolon move from one

1 company to another? Well, the only thing that I can say to  
2 you is when you think about his testimony and the things that  
3 he said to you and the things that he believed in, he likes a  
4 challenge. He likes a challenge of developing something new,  
5 seeing it grow, and seeing what he can make of it.

6 In 1997, he met several people who changed the course of  
7 his life. He met Duane Christy, who was a partner in Century  
8 21. We all know what a big organization that is. And Duane  
9 Christy was the first person to tell him about the resort in  
10 San Quintin. It was Duane Christy's original idea. Don't  
11 forget.

12 And they got together with Doug Stephan, who wanted to  
13 develop it. And the three men entered into an oral  
14 agreement. Later, a few years later it became a written  
15 agreement. But it started out as an oral agreement. As a  
16 gentlemen's agreement.

17 Duane Christy was in charge of getting the land. Doug  
18 Stephan was in charge of development. And Nolon was in  
19 charge of financing. That, ladies and gentlemen, was the  
20 beginning of and goal towards everything that happened  
21 thereafter.

22 Now, Nolon's job was to bring in about \$800 million. Not  
23 a small sum of money. Certainly nothing that he had been  
24 involved in before, as he told you. And so he wasn't sure  
25 how to go about this. So he looked around for advice. The

1 first person, of course, that he would naturally go to is  
2 Glenn Stoll. An ecclesiastical lawyer. Not a member of the  
3 bar. Practicing an entirely different kind of law. Church  
4 law. He went to him and he asked for advice there. And that  
5 is where the idea of incorporating as a corporation sole was  
6 born.

7 He talked with Scott Grant. And Scott took over. He  
8 drafted the papers for him. So first Nolon was incorporated  
9 as the director of Cornerstone Institute. Hulaman Management  
10 Services was included in the incorporation papers as one of  
11 the dba's, doing business as, and as well as any other  
12 company that would be dedicated to fundraising.

13 We wonder whether or not Scott Grant was qualified. When  
14 you look at Exhibit No. 4016 that was admitted, which is  
15 Scott Grant's resume, which is really pretty impressive, he's  
16 got a Ph.D. He has three LL.M.s, which is a master's of law  
17 degree. He's got a postgraduate diploma. A juris doctorate  
18 course in American law. An equivalent in Mexico law. And a  
19 master's of art as well as a bachelor of science.

20 Well, really what caught Nolon's eye and what he  
21 emphasized to us in his testimony was his personal  
22 experience. Extensive international experience in business  
23 and banking with major transactional corporation. 25 years  
24 involvement in computer services, offshore finance centers,  
25 and international banking.



1 Who better to advise him, Nolon was thinking. And so,  
2 yes. He relies on him. He relies on him exclusively. He  
3 relies on him to the point that when Scott says, hey, let's  
4 go offshore and go to Nevis and put everything there, Nolon  
5 says sure. Whatever you say.

6 And eventually Scott came, picked up all the files, took  
7 them down to his office in California, and ran the business  
8 out of there. And really from that point on Nolon testified  
9 he pretty much lost control of what was really going on.

10 Nolon inspired other people to help him. The Websters,  
11 for example. Preston Knepp. Rick Felton. We didn't meet  
12 those people. But we met Vicki Webster. She became  
13 convinced. She became convinced on her own. She read the  
14 same book that Nolon had read. And that is in evidence, too.  
15 You can take a look at it. "The Creature from Jekyll  
16 Island." She understood the principals that Nolon was  
17 talking about and she had an understanding of how this  
18 financing program was supposed to work. And her and her  
19 husband, they committed to it. And they talked to a lot of  
20 people and they got a lot of people to participate. And they  
21 made quite a bit of money. Almost \$400,000.

22 There were other people. Preston Knepp. Preston Knepp  
23 did quite well in assisting Nolon in bringing lenders.  
24 Lender/investors. He made almost \$1 million. Rick Felton  
25 made about \$80,000 and got a houseboat worth about \$400,000

1 out of the deal .

2 So these people were not only motivated by sharing the  
3 same goals. They were motivated by making a little bit of  
4 money as well .

5 And the kinds of things that they told people, as Nolon  
6 said to you, he was not -- he didn't know that they were  
7 telling people that he was related to President Bush.  
8 Therefore, Nolon is rock solid. As Nolon explained to you,  
9 he is way down the line. But he has never met either one of  
10 Presidents and he hasn't met their immediate family. He  
11 hasn't gone to the family reunions. He knows that he sees  
12 his name in the 600-page genealogy book that his cousin put  
13 together, but that's it.

14 As far as being the Ambassador of Nevis, Nolon was pretty  
15 surprised about that. It never even occurred to him to tell  
16 somebody that he was Ambassador of Nevis. And he'd never  
17 seen the Nevis flag. And it certainly didn't fly over the  
18 resort, at the retreat at Port Orchard.

19 Yes. A lot of money was collected. And the government is  
20 right. A lot of money was spent. But it wasn't spent  
21 willy-nilly. And we have to remember why Nolon felt he could  
22 spend this money. When he started getting the money he  
23 first -- he needed someplace to put it. Someplace to invest  
24 it to make the profits that he needed to return to his  
25 lenders and to put into funding for San Quintin.

1           So he first went to Larry Wilcoxson and gave some money.  
2           The government says it's a little over \$200,000. You heard  
3           Nolon testify that he didn't remember that it was that much  
4           money, but here are the records. His relationship with  
5           Mr. Wilcoxson was very short lived because there was just  
6           something a little funny about him and he did not trust him.  
7           And so he moved on.

8           And he had heard about this woman Carolyn Mintus from Mark  
9           Kaposi, who was her partner. And so he checked her out. And  
10          he believed when he met with her and either active members or  
11          retired members of the Federal Reserve, he really believed  
12          this was the genuine thing. This was the real McCoy. She  
13          had bank presidents vouching for her. She had high-ranking  
14          officials in big corporations vouching for her. What more  
15          could Nolon ask for, he thought.

16          And so when she said to him, don't worry about it, we've  
17          got \$800 million set aside, it's your money, keep it coming,  
18          it's going to turn over, the returns are coming, if you need  
19          to spend some money to buy the retreat, go ahead and buy it,  
20          he believed her. He didn't have any reason not to believe  
21          her, as you heard him say time and time again.

22          And so he spent the money. Marilyn wanted a place. A  
23          refuge for domestic violence victims. Call it what you will.  
24          But that's what they wanted. That's what she wanted. And  
25          she wanted to remodel it. Some of it was necessary. There

1 were structure damages, as Nolon told you. But the rest of  
2 it was cosmetic. She wanted a place where victims of  
3 domestic violence could heal. Could recuperate. Could  
4 recreate. Where their children could come and play tennis.  
5 Ride horses, what have you.

6 And, of course, it needed to be secure. As anybody knows  
7 about domestic violence shelters, the biggest danger is from  
8 the abuser coming in. Breaking in and harming the victim who  
9 has finally gotten up the courage to leave. Yeah. They  
10 needed the security. And they needed a lot of it because  
11 this was a lot of land. And they needed different types of  
12 security.

13 Marilyn, as you heard, was a victim of domestic violence  
14 herself. And so she got Cora. Cora, the German Shepherd,  
15 who was a guard dog and was dedicated to keeping Marilyn  
16 safe. That was necessary for her. That was not a frivolous  
17 expense. And, again, Carolyn Mintus was telling him don't  
18 worry about it.

19 Marilyn started her foundation. The From The Heart  
20 Foundation. And that again was dedicated to raising money to  
21 helping victims of domestic violence. She got involved with  
22 DAWN, another organization for domestic violence victims.  
23 And she got involved with the Mariners. The Refuse to Abuse  
24 program. Got involved with that. That's what led to  
25 purchasing the suite.

1        These were not, as the government would have you believe,  
2        simply frivolous things to enjoy and to have a wonderful  
3        lifestyle. Everything that Nolon and Marilyn did, they did  
4        to further their fundraising causes. To further and improve  
5        their humanitarian efforts. That is what they did. That was  
6        the reason why they did it.

7        Now, Nolon had a tragic event in his life on May 6, 2000.  
8        That's when he had his motorcycle accident. Yet another  
9        event that changed his life. And his primary injury was to  
10       his hands. A pretty important part of your body when you  
11       really think about it. And it took a good six months out of  
12       his life where he dedicated his time, almost full time to  
13       doing physical therapy and to recovering. And he talked  
14       about how he was kind of in a fog during that period. Maybe  
15       for even a little longer. The last time he estimated that it  
16       was probably about a year and a half before he recovered,  
17       which when we consider Nolon's age is probably not at all  
18       unreasonable. But things were not quite the same for him  
19       after that. Certainly not health-wise and not memory-wise.  
20       And he wasn't quite as sharp. And during this time, too,  
21       Carolyn Mintus was continuing with her excuses.

22       Now, he said to you several times both on direct  
23       examination and cross-examination that he placed blind faith  
24       in this woman. He stands here today embarrassed as he looks  
25       back on it. Hindsight is 20/20 vision. Always is. He can't

1 believe that he trusted her for so long. That he bought all  
2 of the excuses and all of the delays. But he did. He really  
3 did believe her.

4 So when things started falling apart, the government's  
5 characterization certainly is not inaccurate. The house of  
6 cards kind of fell apart. And really that was totally out of  
7 Nolon's control because it was all dependent on getting the  
8 money back from Carolyn Mintus. All of it.

9 But he did not stop trying to recoup those losses. He  
10 kept looking for other ways to do it. And this is what  
11 caused him to go to Poland. The government has a different  
12 idea about that. But the evidence is pretty strong that he  
13 went to Poland to try to make some money so that he could  
14 start paying back the debts that he owed. First to the  
15 lenders, and second to the obligations that he left unpaid.

16 And he was reasonably successful. He went to sell the  
17 franchise. A Polish franchise for Century 21. He found a  
18 buyer. Got a nonrefundable fee. Initial fee. Initial  
19 portion of the start-up fee. And he started to get a  
20 commission. \$5,000. But the negotiations went on and on.  
21 And, finally, a year or so later the deal just never made it.

22 But immediately after that, in fact, he had a second buyer  
23 kind of waiting in wings who was good friends with the first  
24 buyer. That person stepped up and said, yes, I'll buy it.  
25 He even paid twice the amount of money towards the purchase

1 price of that franchise. And that deal was ultimately  
2 completed and Nolon did receive money.

3 Remember, too, when he went to Poland he didn't go on any  
4 of the lenders' money. He made a settlement with the  
5 insurance company for his motorcycle accident. He divided  
6 half of that with Marilyn. He took the other half of that,  
7 about \$40,000 or so, and went to Poland. That's the money  
8 that he went to Poland on. Not any of the lenders' money.

9 Then the other deal that he had going for him which was  
10 shortly before he returned to the United States and faced the  
11 charges by the government was putting together a call center.  
12 A clearinghouse for the sale of real estate in Europe  
13 beginning in Poland. And this was state of the art. This  
14 was something that he and Phil Yeager talked about and was  
15 really a big deal. And it was going to be extremely  
16 lucrative.

17 But he ran out of time and was not able to consummate that  
18 deal. But he believes -- he believes it as strongly today as  
19 he did that last day before he left Poland that if he could  
20 finish that deal, he would make more than enough money to  
21 repay all of the investors and all of the money that he  
22 left -- that is owing. That deal in Poland is yet for Nolon  
23 another disappointment. And a bitter disappointment and  
24 another sense of failure and another reason why he sits here  
25 humble and not proud and embarrassed.

1 But is he guilty? That is something -- an entirely  
2 different question. And that really is the critical  
3 question, ladies and gentlemen. In all of this, everything  
4 that happened, did he act with the intent to defraud? And  
5 for us, as we look at the stories, there is no way that he  
6 did.

7 He acted in blind trust. Yes. He thought he was doing  
8 due diligence, as I challenged some of the lenders. Did you  
9 do due diligence? Nolan thought he did when he was dealing  
10 with Carolyn Mintus. He thought if he was getting references  
11 from folks at the Federal Reserve, that was enough. What  
12 more could you want? Apparently, as he learned very  
13 painfully, more was necessary. But does that mean he  
14 intended to defraud? No, he did not.

15 If anything, he is very much like Cody Bly, whose anger we  
16 cannot blame. David Velandar. His frustration. His  
17 embarrassment I'm sure of losing his family's money. Nolan  
18 understands those feelings. He understands them very well  
19 because that is very much as the way he feels, but on a much  
20 grander scale because he encouraged his friends to invest  
21 money. To loan money to his program. He encouraged his  
22 staff to do that. People that he cared about. People that  
23 he loved. And he has to face the loss of trust and the loss  
24 of the good feelings that they once had because he failed in  
25 his ability to recover the proceeds.



1 Now, the government has made much of the statements that  
2 he made. First one, that the lender's money would be safe.  
3 They would be sitting in a bank. As far as Nolon understood,  
4 it was sitting in the bank. It was sitting in a bank in New  
5 York under the care and control and the investment expertise  
6 of Carolyn Mintus.

7 That the -- there were statements that lenders would  
8 receive 8 to 9 percent return on their money. That's what  
9 Carolyn Mintus told Nolon to tell people. Tell them that  
10 they're at least going to get 8 to 9 percent. It's probably  
11 going to be a lot higher than that. Based on my experience,  
12 it's going to be a lot higher. And Nolon, believing the  
13 whole package, came back and that's what he told people. But  
14 he tried to emphasize to people that this was best efforts.  
15 Best efforts placement. You will see that on many, many of  
16 the exhibits.

17 He also told people that sending their money offshore was  
18 a good way to protect it. Well, that's what Nigel Scott  
19 Grant was telling him. The lawyer. The one that was far  
20 smarter than Nolon in terms of putting these things together.  
21 He was just repeating what he was told.

22 Now, ladies and gentlemen, it's time for your  
23 deliberation. The government will have the chance to come  
24 back and explain to you how I have it all wrong again. But  
25 it's going to be your case very shortly and you will have

1 time to deliberate. Deliberating means to study. To think  
2 carefully. To discuss thoughtfully. To review the evidence.  
3 Sift through it and make your very fair determination on what  
4 actually took place here. On whether this is a story about a  
5 man with a dream who, beyond his control and with the  
6 participation and bad advice and misrepresentations of  
7 others, the dream of creating a resort in Mexico failed.  
8 Whether this is a man who just was gullible himself. Who  
9 blindly trusted somebody that he should not have trusted.

10 It is much, much different, ladies and gentlemen, than  
11 being guilty. He still maintains, we believe, his innocence.  
12 He relied on others. And because of that, he is here. And  
13 he is here by himself.

14 We would ask you -- we believe that when you are finished  
15 with your deliberations and you're looking at this verdict  
16 form that Judge Leighton gave you, that you are going to be  
17 able to check not guilty on each one of the 32 counts. Thank  
18 you, very much.

19 THE COURT: Thank you, very much, Ms. Olson.

20 Now, ladies and gentlemen, if you would kindly direct your  
21 attention to Mr. Storm, who will deliver a brief rebuttal on  
22 behalf of the government.

23 MR. STORM: Please the Court, Counsel, members of the  
24 jury.

25 Nolon Bush took investors' money. Their life savings.

1 Their 401(k) accounts. Their home equity. The money they  
2 got from selling their businesses. And he threw it away like  
3 clowns throwing candy at a Christmas parade. With reckless  
4 disregard. Without abandon. With abandon. He didn't care  
5 about what happened to those investors' money.

6 The defense states that this is a case about good faith.  
7 Good faith is Instruction No. 20. The last line of that  
8 states proof that the defendant acted with reckless disregard  
9 of the truth of material representations he may have made is  
10 inconsistent with good faith.

11 Nolon Bush didn't just make reckless statements. He lied  
12 to the people whose money he took. He lied in a lot of  
13 different ways that we're going to talk about. But he lied  
14 and he stole their money.

15 He sold mid-term notes that don't exist. He sold a  
16 Mexican resort that he knew would never be funded. His  
17 testimony from the stand is that he planned from the very  
18 beginning to keep two-thirds of the money that he took in.  
19 His testimony from the stand is that he intentionally did not  
20 tell investors that he was going to keep that money.  
21 Two-thirds of it.

22 That created a problem for Nolon Bush. No investor would  
23 give him money knowing that two-thirds was going to be taken.  
24 Completely contrary to the account statements which included  
25 a small administrative fee. That's what they believed would

1 be taken.

2 So what did he do knowing that they would not invest? And  
3 that's their testimony. And as Mr. Letey said, that's common  
4 sense that they would not invest if they knew that fact. He  
5 told them that he would accumulate \$1 million, hold it in a  
6 trust, and then invest it in a private merchant bank.

7 He testified his intent was to take two-thirds. And he  
8 told them that he was going to take all of it. Hold it in  
9 trust. Accumulate \$1 million and invest it. That's a lie.  
10 That is a lie that he told these people to get their money  
11 because he knew if he told them the truth they wouldn't hand  
12 it over.

13 He told them their money would never leave the bank.  
14 That's a very clear statement. Your money, David Velandar,  
15 will never leave the bank. He knows from the beginning from  
16 his own words that he's going to take two-thirds out of the  
17 bank. That is a lie. It's a plain and simple lie to David  
18 Velandar and every other investor that he told it to.

19 He told other lies. He knew that mid-term notes could not  
20 be more risky as an investment. How did he know that? He  
21 testified from the stand that when he was in Global  
22 Prosperity he learned that the ranks of people who promote  
23 mid-term notes are filled with con artists.

24 If you're going out there, you're going to give money to  
25 somebody who might or might not be a con artist, you'd better

1 tell the people who is investing this is a risky area. This  
2 is an area where I might be giving your money to a con  
3 artist. And if I pick the wrong person, your money is gone.  
4 It's gone. Your \$800,000 from selling your business is gone.  
5 That's what he should have been telling these investors. But  
6 he knew if he told them that very simple truth, they would  
7 not give him a dime of their money.

8 So what did he tell them? He told them that their  
9 principal and interest were guaranteed. 8 percent interest  
10 and their principal guaranteed. That's a lie, a plain and  
11 simple lie.

12 He told them that there was a very high degree of  
13 confidence that they would make 25 percent. It's a lie based  
14 only on that one thought. That the ranks of high-yield  
15 promotions of mid-term note promoters are filled with con  
16 artists. But what if he knew so much more than that? If  
17 that's all he knew, he would have lied to them.

18 He knew from his own experience that Larry Wilcoxson had  
19 not paid. He knew that Larry Wilcoxson had been shut down by  
20 the feds. He knew that Mintus was not paying and was  
21 offering, as he put it, day after day, week after week, month  
22 after month of excuses.

23 He knew that Vicki Webster had told him that Mintus was a  
24 fraud. Had been identified on a fraud website. With all  
25 these facts, he continued to tell investors your money, your

1 principal is guaranteed. And your 8 percent is guaranteed.  
2 That is -- it's not -- it's clear why it can be called  
3 nothing else.

4 He didn't stop there. The Mexico project. He knew the  
5 Mexico project would never be funded. How did he know that?  
6 Because it was dependent on Carolyn Mintus. Now we're  
7 talking about '01. She hasn't paid him since early '99.

8 He builds another project with Phil Yeager in May of '99  
9 where she's supposed to pay \$30 million. And she doesn't pay  
10 that. And he knows that. And he still goes forward  
11 promoting the Mexico project. He promotes the Mexico project  
12 knowing that she's hundreds of millions -- 100 to 200 to 300  
13 million dollars behind in her payments. And he doesn't  
14 disclose that to the people that he talks to. Mr. Franke and  
15 to Ms. Ryan, he tells them that it's going great and that  
16 he's purchased the land. That's a lie.

17 But he doesn't just stop there. You're going to see in  
18 the jury instructions it talks about creating circumstances  
19 that deceive people. That's a fraud, too, if you create  
20 circumstances that will deceive somebody. He has these sets  
21 of lies that he's telling people. But that's not going to  
22 get him to the big time. That's not going to make him a  
23 big-time \$35 million profit.

24 So he goes the extra step. He takes it to the next level.  
25 He puts on a show. And that show is comprised of two things

1 that he needs to do. He needs to convince people this is  
2 profitable, and he needs to convince people he's trustworthy  
3 as a human being. These are both deceptions.

4 How does he convince people this is profitable? He sends  
5 out account statements that show huge yields based on  
6 nothing, even when he knows Mintus and Wilcoxson aren't  
7 paying. And he sends out checks comprised of other  
8 investors' money. Those are deceptive practices that make  
9 people think the money is coming in and it's profitable.

10 He buys this big house and leases this luxury suite at  
11 Safeco. Those lead people to believe this is profitable. He  
12 would have you believe that he bought that house not to  
13 promote this scheme, but for charity. But as Mr. Letey said,  
14 the two people that needed to know what this house was for,  
15 they testified. One is Ms. Rief, who was the realtor who  
16 sold them the house and took two years doing it starting in  
17 '97. She was told by Marilyn March we want this house to  
18 impress clients. Impress is the word that she used.

19 The other person who needed to know was Mr. O'Neill.  
20 Michael O'Neill. The interior decorator. Why did he need to  
21 know? Because he needed to know what his object was in  
22 rebuilding this house. Marilyn March said we want this  
23 design to live here, he said, and to impress investors.

24 What lends credence to that? Look at the shower. One  
25 thing. Look at the shower that was in Marilyn March's suite.

1 That wasn't there for charity. That special sloped floor  
2 that he talked about. That sloped floor that would keep her  
3 feet dry while she took a shower that he designed into the  
4 house. That wasn't there to bring others inside for charity.  
5 That was there to keep Marilyn March's feet dry. The \$400  
6 shower drain. That wasn't there for other people. For  
7 charity. That was there to keep Marilyn March's hair out of  
8 the drain.

9 This house was for them to live in. It was to impress  
10 investors. It was for part of the fraud. And that's the  
11 evidence from the stand. When Patty Rief was asked was this  
12 for charity -- or was this for battered women, this house,  
13 she said no. You could see the shock on her face. She said  
14 Marilyn had discussed another house, but not this one. This  
15 was for them to live in. This was to impress clients.

16 It's part of the fraud. Just like sending out the checks,  
17 some investors' money to other investors is part of the  
18 fraud. He used religion and he used charity. He's created  
19 the air of profitability. Now he has to create an air of  
20 trustworthiness.

21 The evidence from that stand is he is not a religious man.  
22 It is a tool that he used to steal. To create a belief in  
23 people that he would deal with them kindly and lovingly and  
24 treat them fairly and protect their money.

25 The people who knew him best, however, Tessie his ex-wife,



1 Lorelei his administrative assistant, and Tammy Stuckey when  
2 asked, is he a religious man? Tammy Stuckey again had a  
3 shocked look. I don't think so. Lorelei went a step  
4 further. She said Nolon Bush does what's best for Nolon Bush  
5 and that's the bottom line. But look for yourselves at how  
6 he treated people. Did he treat people lovingly, kindly, or  
7 did he do what's best for himself?

8 When David Velander wrote a letter that you have in  
9 evidence dated March 2nd, 2000 saying, I need my money back,  
10 how did he respond to that? 21 days later he went out.  
11 Bought himself a \$24,000 Harley-Davidson motorcycle. And  
12 asked from the stand, did you even think about giving that  
13 money to David Velander who it belonged to? He said, no, I  
14 didn't think about it.

15 That's not the action of somebody who has based their life  
16 on spirituality. It's consistent with what we're told by  
17 Lorelei Tarsiuk. When he takes \$40,000 from an investor,  
18 Starla Ryan, who's recently widowed, and he spends it on his  
19 phone bill primarily and doesn't put one dime of it into any  
20 kind of investment, that's not somebody who is acting  
21 lovingly based on spirituality. That's what Lorelei is  
22 saying, is what is best for him.

23 In order to raise this to the next level, this fraud, he  
24 needed something else. He needed a scapegoat. He needed  
25 somebody to blame. Somebody to say it's her fault that this

1 has happened, Carolyn Mintus, so that when this went bad,  
2 when things went down he could say it's her fault. I gave  
3 her the money. She stole it. Or I gave her the money. She  
4 lost it. Or whatever she did, it's her fault. When the  
5 government came knocking he could say, it's not my fault.  
6 It's her fault. It's the scapegoat's fault.

7 He did not believe in Carolyn Mintus. He knew she was a  
8 con artist. He knew that Wilcoxson, again, had been shut  
9 down. That he had not been paid by Wilcoxson. He knew that  
10 con artists filled this area of mid-term notes. He knew that  
11 Mintus had not paid him since early '99. He knew that in  
12 March of 2000 she hadn't paid \$30 million that she owed on  
13 Century 21. He knew that Vicki Webster told him that she was  
14 a fraud. And he responded with don't believe everything you  
15 read.

16 He knew that Douglas Stephan had told him that she was a  
17 fraud. And he blew Douglas Stephan off. He knew Lorelei  
18 Tarsiuk had been contacted by Ron Henderson of the FBI. And  
19 that instead of saying, give me Agent Henderson's phone  
20 number, I want to call Agent Henderson and report this woman  
21 who has stolen my money, what did he do? He referred Lorelei  
22 to Glenn Stoll. And Glenn Stoll told Lorelei how to obstruct  
23 this investigation. Sending Lorelei to Glenn Stoll instead  
24 of picking up the phone, asking Lorelei for the number and  
25 saying, let's call Agent Henderson, let's find out what's

1 going on, those are the actions of somebody who knows what's  
2 going on and is trying to hide from what's going on. Not the  
3 actions of somebody who is a victim.

4 The problem that he has when he tells all these people and  
5 he blows off all these people is this. If he learns the  
6 truth -- if they're able to say he's learned the truth and  
7 acknowledged truth, he's got to stop taking in their money.  
8 So he puts his fingers in his ear and says, I don't hear you.  
9 Go away. He doesn't want to know the truth because then he's  
10 lost his scapegoat.

11 He hides his conduct. Why do people hide their conduct?  
12 He repeatedly does this. People hide their conduct because  
13 they know they're doing something bad. In the jury  
14 instructions you have an Instruction No. 4 which says --  
15 talking about reasonable doubt. A reasonable doubt is a  
16 doubt based on reason and common sense. People a lot of  
17 times come into this courtroom and they think they need to  
18 leave their common sense at the courtroom door. You don't.  
19 It's not a raincoat. Bring it into your deliberations. Our  
20 common sense tells us that when people hide their conduct,  
21 they know they're doing something wrong.

22 When my kids got into the cookie jar and try to lift the  
23 lid straight up so it didn't cling the sides, they don't do  
24 that, that quiet lifting of the lid, because they thought it  
25 was okay to get a cookie. Those were the times they knew it

1 was not okay to get a cookie. That's what our common sense  
2 tells us.

3 Nolon Bush hired a lawyer who was an expert in setting up  
4 secret offshore bank accounts. And with that expert, Scott  
5 Grant, he set up secret offshore bank accounts. He hid that  
6 conduct. And if you look in those contracts, you will see in  
7 the contracts that Scott Grant set up it. Says we're setting  
8 these up because we don't want these records for you, the  
9 investor, to be able to be subpoenaed by the government of  
10 the United States. Hiding conduct.

11 How else did he hide conduct? He hides conduct through  
12 encryption. Both he and Scott Grant talk about encryption at  
13 various times. Scott Grant talked about -- you have an  
14 e-mail in evidence saying let's get this under encryption.  
15 Nolon Bush says I want CIA encryption capabilities. Nolon  
16 Bush wants encryption because he is hiding his conduct  
17 because he knows what he's doing is wrong.

18 Now, the defense would have you believe that he wants  
19 encryption because he doesn't want abusive husbands for these  
20 future abusive spouses or significant others to be listening  
21 to phone calls, I guess, at the retreat. That's what the  
22 defense would have you believe. That's why he wants CIA  
23 encryption.

24 The problem with that is that it's not consistent with the  
25 evidence in the case. The evidence in the case is Nolon Bush

1 is sending encryption devices, enigmas, to Carolyn Mintus.  
2 Those are on the calendar that's been entered into evidence.  
3 He's not -- is it because the abusive spouses are going to go  
4 try to listen to phone calls from people staying at the  
5 retreat at Carolyn Mintus's place in New York? No. That's  
6 because he's trying to get everybody on the same page of  
7 hiding their conduct.

8 Debugging. He repeatedly debugged. Now, he would have  
9 you believe through what's been presented at trial that he's  
10 hiring all of this debugging because it's necessary to keep  
11 Social Security numbers safe. But who works in the business  
12 where -- you know, Social Security numbers are batted around  
13 every day. Bankers. Retail stores. Are they hiring these  
14 debuggers? No. Nolon Bush is hiring debuggers because he  
15 wants to make sure that his conduct is not found out because  
16 he knows what he's doing is wrong.

17 And just to go one step further on that. Look at the last  
18 time he hired a debugger. It's in June -- that's Richard  
19 Cox. It's in June of 2000. What's just happened in June of  
20 2000? Ron Henderson has called the estate. Has called View  
21 Park and talked to Lorelei. That's in May. What happens  
22 when Suzi Ripley in May of 2000 goes to the Caribbean down to  
23 Nevis? She's told they're under investigation. It's  
24 spreading. There is -- this Ron Henderson call is spreading.  
25 What is Nolon Bush's reaction? Is to hire the bugger to

1 debug his car, his phone, his office, and Scott Grant's  
2 office.

3 That's what he does in response to getting that call from  
4 Ron Henderson in May of 2000. He shuts down the operation in  
5 Nevis, he hires the debuggers, and he starts promoting  
6 Cornerstone as the new promotion, which is the Mexican  
7 resort.

8 The defense told you when this case started that it would  
9 be woven together. And it has been. The defendant, Nolon  
10 Bush, has set up a con. He has repeatedly lied to investors.  
11 He has not only lied to investors. He has created  
12 circumstances to make them believe that this is a profitable  
13 investment. Those circumstances were false. He has created  
14 circumstances to make people believe that he was trustworthy.  
15 Those circumstances were false. And he has stolen  
16 \$35 million of investors' money.

17 He sold securities to do this. And that is contracts  
18 where other people are to do the work and you are to provide  
19 the money. He used the mails to commit this theft. He used  
20 the wires to commit this theft. And he transferred money  
21 from Nevis back to his account that was stolen from these  
22 investors.

23 We would ask you to find Nolon Bush guilty of each and  
24 every one of these offenses. Thank you.

25 THE COURT: Thank you, Mr. Storm.

1 All right. You've now heard the argument of counsel.  
2 We're prepared to have you go to the jury room and  
3 deliberate. But before we do that we have to pick one among  
4 your number who will not be allowed to deliberate. We can  
5 only have 12 deliberate. We had 14 originally because of the  
6 length of trial, to make sure that we could finish with 12.

7 And so Ms. Boring is now going to draw one name out of the  
8 tumbler and that individual will not be allowed to  
9 deliberate. That person will not talk about this case at  
10 all. There is a possibility that somebody could get sick  
11 during deliberations and the person selected would be brought  
12 back in and deliberations and would have to begin anew.

13 So whoever that individual is should not discuss this  
14 matter at all until I call you and tell you that the jury has  
15 reached a verdict or otherwise been discharged.

16 Okay.

17 THE CLERK: Kathleen Duprey.

18 THE COURT: Ms. Duprey, if you would leave your notes  
19 on your chair. Nobody will review them. You need to get  
20 your material -- whatever you've got in the jury room and go  
21 to the clerk's office and they can give you further  
22 instructions. What I would ask -- we've got your phone  
23 number.

24 So I'll call you at some point either because we need your  
25 services again in the near future or because the jury has

1    been discharged. And I will be calling to thank you and to  
2    discharge you as well. All right?

3           Thank you, very much. And if you would just go ahead and  
4    get your stuff and go to the clerk's office. I will keep the  
5    jury here. We keep them here so that nobody communicates or  
6    is inclined to communicate at all about the case. Thank you.

7           The exhibits will be following in shortly. I think there  
8    is about five minutes more work that needs to be done to make  
9    sure that only those exhibits that have been admitted into  
10   evidence are brought to you. And so the lawyers and  
11   Ms. Boring will be working on that for just a few minutes  
12   more.

13          Ladies and gentlemen, if you would return to the jury room  
14   and begin your deliberations. Thank you.

15                   (Jury exits the courtroom.)

16           THE COURT: Please be seated. All right. Counsel,  
17   you should be within 15 minutes of travel time here to the  
18   courthouse. Leave Ms. Boring your number so we know how to  
19   get a hold of you.

20          And I guess this is probably the best time. At any time  
21   in a civil or criminal case when a verdict is returned, it's  
22   a bad time for somebody to tell them how good they did, how  
23   well they did in representing their clients. But I wanted to  
24   say sincerely to both the prosecution and the defense that I  
25   thought you all did an outstanding job of keeping the jurors



1 involved and interested. You watched the jury. And that's a  
2 forgotten craft.

3 You also I think spent a lot of time on saying what you --  
4 I learning how to say what you wanted to say best instead of  
5 I last. Sometimes everybody wants to get the last word in.  
6 And jurors and trials get bog down by that. But I was  
7 impressed by the lawyers' ability to say what they wanted to  
8 say and to say it in a way that resonated with jurors.

9 So you're to be commended. And we'll let you know when we  
10 have either a question or a verdict.

11 Court will be in recess.

12 (Court in recess.)

13 \* \* \* \*

14 C E R T I F I C A T E

15

16 I certify that the foregoing is a correct transcript from  
17 the record of proceedings in the above-entitled matter.

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19 /S/ Nichol e Rhynard, CCR, CRR, RMR

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